

Corporate Information

Board of Directors

Atul Kumar Shukla	– Non-Executive & Independent Chairman
Navjeet Singh Sobti	– Executive Vice Chairman
Vinay Mehta	– Managing Director
Jagdeep Singh*	– Wholetime Director
Sita Ram Bansal	– Non-Executive & Independent Director
Krishan Lall Khetarpaul	– Non-Executive & Independent Director
Qais M.M. Al-Yousef	– Non-Executive & Independent Director
Krishna Kumar Gupta	– Non-Executive & Independent Director
Surendar Kumar Sood	– Non-Executive & Independent Director
Shiv Karan Singh**	– Non-Executive & Independent Director

* Jagdeep Singh was re-appointed as the Wholetime Director of the Company w.e.f. 01.12.2009 for a period of five years.

** Shiv Karan Singh has been appointed as an Additional Director of the Company w.e.f. 28 May 2010.

Auditors

B S R & Co.
Chartered Accountants
Building No. 10, 8th Floor, Tower-B
Infinity Towers, DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

Vice President & Company Secretary

Rajiv Lochan Jha

Bankers

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

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
Website : www.beetalfinancial.com

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Notice

TO THE SHAREHOLDERS,

NOTICE is hereby given that the 16th Annual General Meeting of the Members of ALMONDZ GLOBAL SECURITIES LIMITED will be held on Tuesday, the 28th day of September 2010, at 3.30 P.M. at PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016, 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 2010 and the Profit and Loss Account 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 pursuant to the recommendations of the Board of Directors of the Company, a dividend of Rs. 0.42 per equity share (at the rate of 7% per equity share) to the equity shareholders of the Company whose names appear in the Register of Members/ Register of Beneficial Owners as on 17 September 2010/as at the close of business hours on 17 September 2010, be and is hereby, declared out of the current/accumulated profits of the Company for the Financial Year ended on 31 March 2010.
RESOLVED FURTHER THAT the dividend warrants be posted to the respective shareholders within 30 days thereof to all the equity shareholders who are entitled to receive the payment."
3. 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."
4. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Krishna Kumar Gupta, 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."
5. 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. B S R & Co., Chartered Accountants, Gurgaon (Haryana), Registration No. 101248W, 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 :

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Shiv Karan Singh, 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."
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on 31 July 2004 and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company, be and is hereby, accorded to the Board of Directors of the Company, to borrow, from time to time, for the purpose of the Company's business any sum or sums of money as it may deem proper notwithstanding that the moneys to be so borrowed together with the moneys already borrowed by the Company, if any, (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose, provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs. 2,00,00,00,000 (Rupees Two Hundred Crores) at any time, and that the Board of Directors, be and is hereby, empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to the interest, repayment, security or otherwise as they may think fit."
8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :
"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders of the Company on 8 January 2008, and pursuant to the provisions of Section 372A of the Companies Act, 1956 and other applicable provisions, if any, and any amendment/modification thereof, approval, be and is hereby, accorded for making inter-corporate loans/deposits, making investments, giving guarantee, providing security and acquiring various securities in group/ other companies, etc. to the extent of Rs. 3,00,00,00,000 (Rupees Three Hundred Crores).
FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby, authorized for taking the necessary actions/steps for giving effect to the said resolution for the aforesaid matters/transactions and to do

all such acts, deeds, matters and things as may be deemed or considered necessary or incidental thereto.”

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to the applicable provisions of the *Almondz Global Securities Employees Stock Option Scheme 2007* (hereinafter “**the Scheme**”), as amended, Memorandum and Articles of Association of the Company, the listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 and other rules and regulations, prescribed by the Securities and Exchange Board of India (“SEBI”) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, consent of the Board (which includes Compensation Committee duly constituted), be and is hereby, accorded to create, grant, offer, issue and allot in one or more tranches, 500000 (Five Lacs) Options to the following identified employee of the Company, during any one year, aggregating equal to or more than 1% of the issued capital (excluding outstanding warrants and any other convertible instruments) of the Company at the time of grant of Options convertible into Equity Shares of the Company, subject to adjustment / enhancement / reduction proportionately in case of any bonus, stock splits or consolidations or other reorganization of the Capital Structure of the Company as may be applicable from time to time, in such manner, at such price, during such period, in one or more tranches over varying vesting schedules and on such terms and conditions as the Board (including Compensation Committee duly constituted) may decide :

Sl. No.	Name of Employee	Designation	No. of Options to be granted
1	Gautam Patel	Head-Principal Investments	500000

NOTES :

- The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6, 7, 8, and 9 above, 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. 3, 4 and 6 above, are also annexed.
- 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.
- The Register of Members and Transfer Books of the Company will be closed from Saturday, 18 September 2010 to Tuesday, 28 September 2010, both days inclusive. Dividend, if declared, shall be paid on or after 28 September 2010 as under :
 - To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Friday, 17 September 2010; and
 - To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, 17 September 2010.
- Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars can not act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- 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.
- Shareholders are requested to bring their copy of Annual Report to the Meeting.
- 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.

8. 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.
 9. The Company is in the process of notifying the Closure of Register of Members and Share Transfer Register from 18 September 2010 to 28 September 2010 (both days inclusive) pursuant to Section 154 of the Companies Act, 1956. The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after 28 September 2010.
 10. 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.
 11. In order to avail the facility of Electronic Clearing System (ECS) for receiving direct credit of dividend to his/her/their respective account with Bank(s) and for avoiding misuse of Dividend Warrants, the Members holding equity shares in Physical Mode are requested to provide their Bank Account No., Name and Address of the Bank/Branch to M/s Beetal Financial & Computer Services (P) Ltd., "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062, Phone : 011-29961281, 29961282 Fax : 011-29961280 / 84, the Registrar & Share Transfer Agent (R & T Agent) of the Company.
 12. 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.
 13. 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.
 14. 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.
 15. 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.
 16. 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.
 17. Re-appointment / Appointment of Directors : At the ensuing Annual General Meeting, Mr. Sita Ram Bansal and Mr. Krishna Kumar Gupta, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. Mr. Shiv Karan Singh is proposed to be appointed as a Director of the Company liable to retire by rotation in the ensuing Annual General Meeting.
- 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, 2010

RAJIV L. JHA
Vice President & Company Secretary

Explanatory Statement

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

Item No. 6

Shiv Karan Singh brings 33 years of experience in consulting, investment banking, telecommunications, insurance, BPO and IT related services. He worked for 16 years in the US with Merrill Lynch and Equitable Life Assurance (now part of AXA). In 1999, he set up the advisory firm, India Contact Center Advisory, which provides consultancy services to major US and UK companies for BPO and IT related services. The services included vendor selection, strategic alliances, productivity improvement, benchmarking and acquisitions.

Along with his consultancy services, Mr. Singh has been :

- Country representative for Global Technology Distributors Council, US, for bringing sales database services and providing an industry wide platform for the Indian IT distributors in India.
- Managing Director for Trinity Horne, UK, in India for management productivity improvement consultancy to BPO, IT and Telecommunication companies

- Country representative for Lincoln Financial Group, US, and Canada Life, Canada, for their proposed entry in India for the insurance business.
- Country representative for Swedish Telecom (Telia) for their joint venture with Bharti Airtel for telecommunications in India.
- Head of Investment Banking with HSBC in New Delhi.

In 2005, he started an Indian contemporary art private collection for select overseas investors and continues to run this private collection.

Mr. Singh's education consists of:

- MBA in Finance and Accounting from London Business School
- APC in Business Economics from Stern Business School, New York University
- BA (Hons.) in Mathematics from St. Stephen's College, Delhi University

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

None of the Directors of the Company, except Mr. Shiv Karan Singh, is in any way, concerned or interested in the said Resolution.

None of the existing directors of the Company has any relationship with Mr. Shiv Karan Singh.

Item No. 7

The shareholders of the Company at the Annual General Meeting held on 31 July 2004 authorised the Board to borrow money exceeding the aggregate of paid-up capital and free reserves upto an amount of Rs. 1,00,00,00,000 (Rupees One Hundred Crores). Now, since the operations of the Company are increasing in scale and in view of the expansion plans of the Company, it would be in the larger interest of the Company, and ultimately the Members of the Company, if the Board of Directors is empowered to borrow funds in excess of the paid-up capital and free reserves of the Company upto the extent of Rs. 2,00,00,00,000 (Rupees Two Hundred Crores) and employ the same in the implementation of the expansion plans and in high yielding securities. As the power to borrow money in excess of the paid-up capital and free reserves of the Company, can be exercised by the Board only with the prior approval of the Members in the General Meeting, therefore, the Directors recommend the Resolution to be passed by Members as an Ordinary Resolution.

None of the Directors of the Company, except to the extent of their directorships in the entities from which your Company would be borrowing from time to time, are concerned or interested in this item of business.

Item No. 8

The shareholders of the Company, by way of postal ballot, results of which were declared on 8 January 2008, authorised the Board to make inter-corporate loans, give guarantee or provide security or acquire various securities of other entities / body corporate upto an amount of Rs. 75,00,00,000 (Rupees

Seventy Five Crores) which was exceeding 60% of paid-up capital and free reserves or 100% of free reserves. Now, over a period of time, your Company has ventured into the activities of non-banking finance, commodities broking, insurance broking and reinsurance broking through its subsidiaries and group company / ies. In that light, for the purpose of temporary lending to its subsidiaries or group companies or any other company(ies)/ giving guarantee or providing security in relation to the loan extended to / by the aforesaid entities / acquisition of shares / securities of its subsidiaries or group companies or any other company(ies), it is required to increase the extent of the aforesaid from Rs. 75,00,00,000 (Rupees Seventy Five Crores) to Rs. 3,00,00,00,000 (Rupees Three Hundred Crores), i.e. exceeding the limits as prescribed under Section 372A of the Companies Act, 1956, at any given point of time, thereby requiring your consent through a special resolution.

None of the Directors of the Company, except to the extent of their directorships in the aforesaid entities from time to time, are concerned or interested in this item of business.

Item No. 9

This is to intimate that as on date the number of stock options outstanding amounting to 3610000 stock options. Further, the Compensation Committee of the Company in its meeting held on 27 February 2010 amended the extant "Almondz Global Securities Employees Stock Option Scheme 2007" (hereinafter "**the Scheme**") to the extent that the number of stock options available for grant had been increased from 4500000 or 15% of paid-up capital (amounted to 3798265 options as on date) whichever is lower, to 15000000 or 50% of paid-up capital (amounted to 12678383 options) whichever is lower, and the same was also approved by the Board at its meeting held on 5 March 2010 and by the shareholders of the Company on 13 April 2010.

Under the aforesaid Scheme read with SEBI ESOP Guidelines, 1999, the consent of the shareholders of the Company has been mandated in order to enable the Company to grant Stock Options equal to or more than 1% of issued capital (excluding outstanding warrants and any other convertible instruments) of the Company at the time of issue of options to the identified employees. The Compensation Committee, in its meeting held on 13 August 2010, has recommended the name of Mr. Gautam Patel, Head-Principal Investments, of the Company for the purpose of grant of stock options in such a manner that the said grant consisting of 500000 stock options would be equal to or more than 1% of the issued capital of the Company (excluding outstanding warrants and any other convertible instruments) at the time of grant of Options, in view of his potential to bring recognition to the Company thereby leading to the overall growth of the Company:

None of the Directors of the Company is, in any way, interested or concerned in the said Resolution.

By Order of the Board of Directors

New Delhi
August 13, 2010

RAJIV L. JHA
Vice President & Company Secretary

LAST FIVE YEARS AT A GLANCE

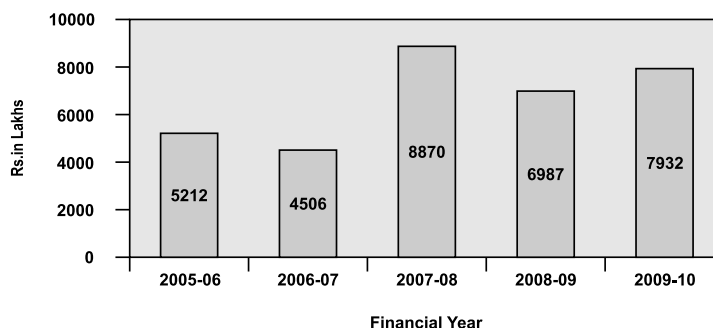
Rs. In Lacs*

Sl. No.	Particulars / Financial Year	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
1	Gross Revenue	5211.93	4505.81	8869.65	6986.53	7932.45
2	EBIDTA	1318.63	917.63	1905.33	1462.82	2045.43
3	PBT	1283.90	904.16	1458.01	1013.86	1693.03
4	PAT	776.35	559.17	994.30	600.40	1077.57
5	Paid-up Equity Capital	780.79	959.77	1519.31	1519.31	1519.31
6	Net Worth	1875.28	2573.41	8462.17	9055.11	10093.64
7	Current Assets	3307.44	5280.19	12232.92	8917.62	13336.30
8	Current Liabilities	589.04	425.93	1047.04	1479.91	2030.30
9	Provisions	353.45	183.47	120.02	160.43	193.37
10	Total Assets	4338.81	6201.19	12969.77	9451.17	13036.64
11	Current Ratio	5:1	11.24:1	11.68:1	6.03:1	6.57:1
12	Total Assets Turnover	1.20	0.73	0.68	0.74	0.61
13	Fixed Assets Turnover	12.46	7.53	5.74	4.21	6.91
14	EPS	5.32	3.50	4.32	2.37	4.22

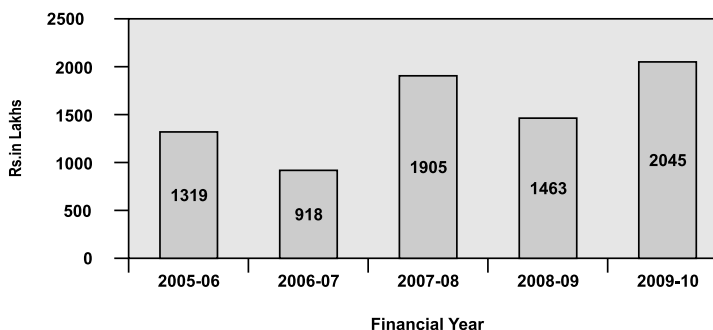
* Figures of 2008-09 may vary on account of reclassification

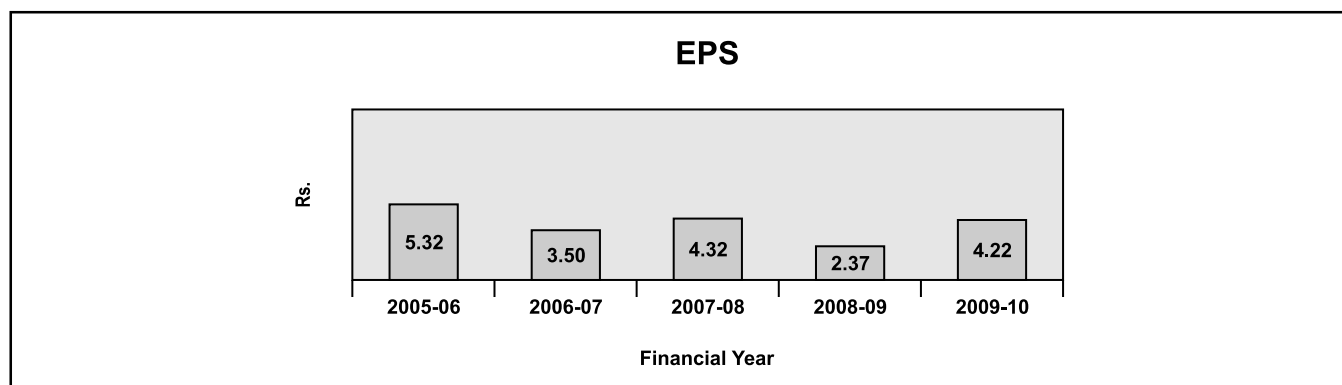
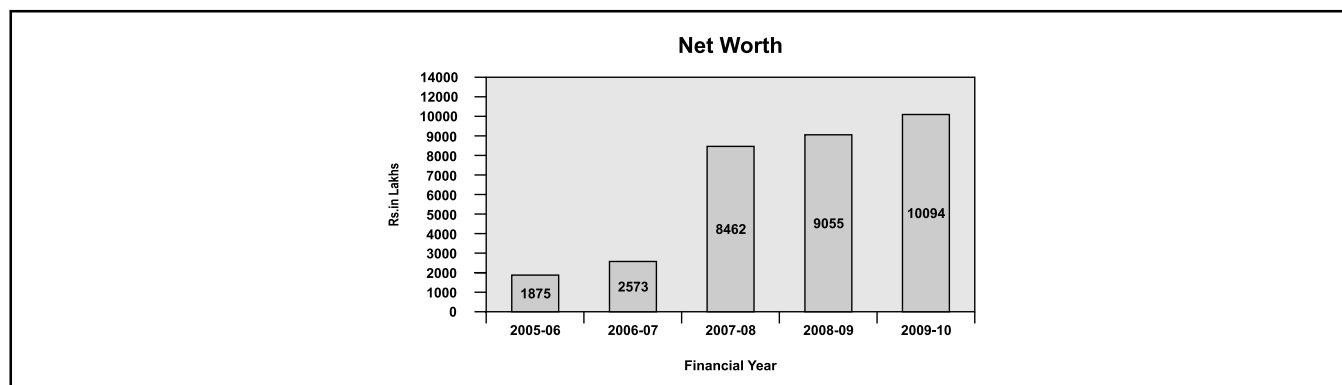
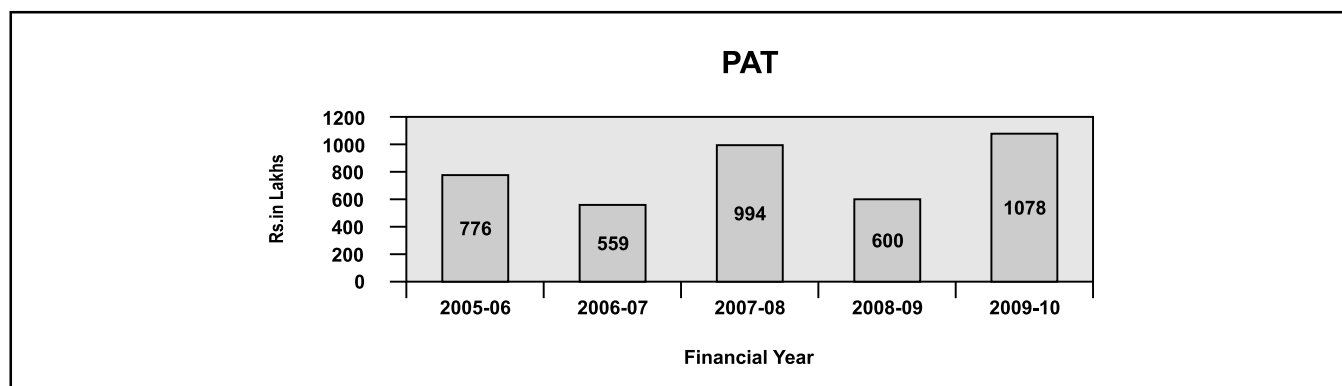
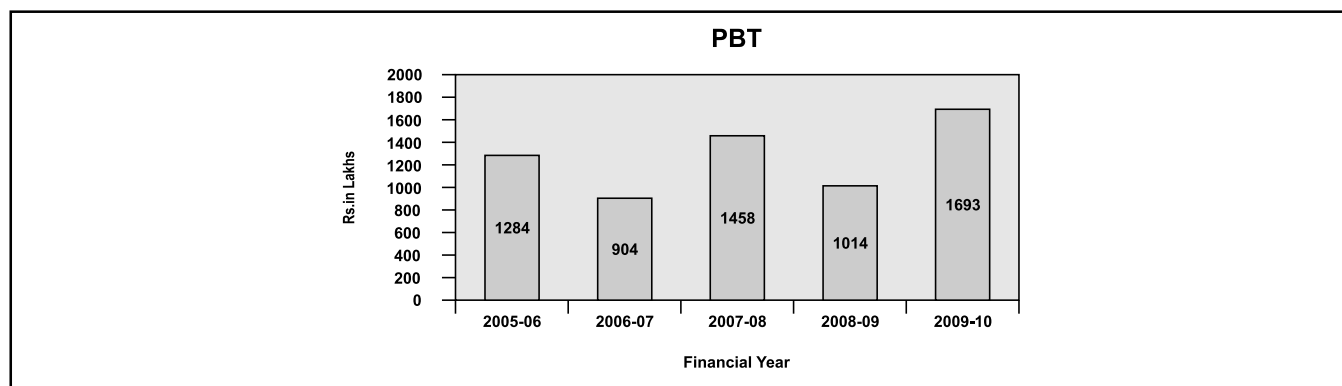
* Except Sl. Nos. 11 to 14 which are ratio

Gross Revenue



EBIDTA





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, 2010.

1. Financial Results

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

	(Rs. in Lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Income	7932.45	6986.53
Profit before Interest, Depreciation & Tax	2045.43	1462.82
Less : Interest	162.62	252.25
Less : Depreciation	189.78	196.71
Less : Provision for Tax	615.46	413.46
Net Profit after Tax	1077.57	600.40
Profit/(Loss) brought forward	2349.79	1838.27
Profits available for Appropriation	3427.36	2438.67
Appropriations :		
Transfer to General Reserve	—	—
Transfer as Proposed Dividend	106.35	75.97
Corporate Dividend Tax	18.07	12.91
Profit/(Loss) carried to Balance Sheet	3302.94	2349.80

2. Dividend

Based on your Company's performance, your Directors recommend for your consideration a dividend of Rs. 0.42 per Equity Share of Rs. 6/- each for the financial year ended 31 March, 2010. The final outgo on dividend is as under :

(in Rs.)

	Current Year 2009-10	Previous Year 2008-09
On 25321767 fully paid-up equity shares of Rs. 6/- each, @ Rs. 0.42 per share	10635142.14	—
(Previous Year – Final Dividend) On 25321767 fully paid-up equity shares of Rs. 6/- each, @ Rs. 0.30 per share	—	7596530.10
Corporate Dividend Tax	1807442.00	1291030.00

As abovementioned, the total outflow on dividend payout will be Rs. 12442584.14 which would translate to 11.55% of the profits of the Company.

3. Transfer to Reserves

Since your Company has declared dividend @ 7%, accordingly, in terms of the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975, no transfer is required to be made to the General Reserve out of the amount available for appropriations and accordingly the surplus carried to the Balance Sheet amounted to Rs. 3302.94 Lacs.

4. Operating Results and Business

For the year ended March 31, 2010, the Company earned a total income of Rs. 7932.45 Lacs, as against previous year's Rs. 6986.53 Lacs. As per the Consolidated Accounts, the total income was Rs. 8297.07 Lacs, as against the previous year's Rs. 7092.05 Lacs. The net

profit of the Company for the year was Rs. 1077.57 Lacs (13.58% of total income) as compared to Rs. 600.40 Lacs (8.59% of total income) in the previous year. As per the Consolidated Accounts, the net profit for the year was Rs. 1097.93 Lacs (13.23% of total income) as compared to Rs. 548.25 Lacs (7.73% of total income) in 2008-09.

5. Human Resource Development

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 2010, your Company has a diverse employee base with 480 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.

6. 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 Standard 21 issued by the Institute of Chartered Accountants of India.

7. 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 2010 is annexed hereto.

8. 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.

9. 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.

10. 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. Rajiv L. Jha, Vice President & 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. The said Code, inter alia, prohibits purchase and/or sale of shares of the Company and its client companies by an insider while in possession of unpublished price sensitive information in relation to the same. The Code of Conduct is available on your Company's website.

11. 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 2009-10, 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 2009-10 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.

12. Holding Company

During the year under Report, your Company acquired 51% stake in one of its Group companies namely Almondz Insurance Brokers Pvt. Ltd., thereby making the aforesaid company and its subsidiary namely Almondz Reinsurance Brokers Pvt. Ltd., the subsidiaries (direct and step-down) of your Company.

Prior to acquisition of 51% stake by your Company in Almondz Insurance Brokers Pvt. Ltd. (AIBPL), AIBPL was holding 33334 equity shares in your Company as allotted to AIBPL pursuant to the Scheme of Amalgamation between the erstwhile Almondz Capital Markets Pvt. Ltd. with your Company vide Hon'ble High Court of Delhi Order dated 5 February 2008. The paid-up capital of your Company as on 31 March 2010 comprised of 25321767 equity shares of Rs. 6/- each. Pursuant to the provisions of Section 42(3) of the Companies Act, 1956, the aforesaid 33334 equity shares held by AIBPL in your Company have no right to vote at the meetings of your Company thereby leading to the reduction in the number of voting equity shares comprising the paid-up capital of your Company as at 31 March 2010 in the Consolidated Accounts. Based on the aforesaid, the shareholding of one of the promoters

of your Company namely Almondz Capital & Management Services Limited (12653314 equity shares) in your Company as on 31 March 2010 constituted 50.03%, thereby making Almondz Capital & Management Services Limited as the Holding company of your Company pursuant to the provisions of Section 4 of the Companies Act, 1956.

13. Subsidiary Companies

During the year under reporting, the Company had five subsidiaries namely Almondz Finanz Ltd., 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. has not started operating during the year under report as the said company is still in the process of finalizing plans.

In terms of the approval granted by the Ministry of Corporate Affairs (MCA), Government of India, vide its letter No. 47/500/2010-CL-III dated June 17, 2010, the provisions of section 212(1) shall not apply in respect of all the five (5) Subsidiaries of your Company, as on March 31, 2010 namely Almondz Commodities Pvt. Ltd., Almondz Finanz Ltd., Almondz Retail Equity Ltd., Almondz Insurance Brokers Pvt. Ltd., and Almondz Re-insurance Brokers Pvt. Ltd. The said exemption has been granted on the condition, inter alia, of presenting the Audited Consolidated Accounts/Financial Statements of your Company and its Subsidiary Companies prepared in strict compliance with the Accounting Standard (AS-21) and Listing Agreement as prescribed by Securities and Exchange Board of India (SEBI) along with the standalone Audited Accounts/Financial Statements of the Company. In terms of the said exemption, the Audited Balance Sheets as at the March 31, 2010 and Profit and Loss Accounts for the year ended as on that date together with the Reports of Directors' and Auditors' thereon of the said Subsidiaries have not been attached with the Balance Sheet of your Company for the financial year ended March 31, 2010. The Company will make available the annual accounts of the aforesaid subsidiary companies and the related detailed information to its investors as well as to the investors of its subsidiary companies at any point of time. The annual accounts of the aforesaid subsidiary companies will also be kept for inspection by any investor during business hours at our Registered Office and respective registered offices of the subsidiaries besides your Company shall furnish a hard copy of accounts of subsidiaries to any shareholder on demand.

Following information in aggregate for each subsidiary are also disclosed in one page after the consolidated accounts :
(a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend. Further, the details of the accounts of individual subsidiary companies are also put on your Company's website www.almondzglobal.com

14. 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 2010 is enclosed.

15. 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.

16. Directors

During the year under Report, Mr. Amarjyot Singh Anand ceased to be a Director of the Company on account of vacation of his office under the provisions of Section 283(1)(g) of the Companies Act, 1956 w.e.f. 29 July 2009. Further, Mr. Surendar Kumar Sood had been appointed as an Additional Director on 29 July 2009 who was later on appointed as a Director retireable by rotation at the 15th Annual General Meeting held on 24.09.2009.

Mr. Sita Ram Bansal and Mr. Krishna Kumar Gupta, Directors, retire by rotation at the ensuing 16th Annual General Meeting.

On 28 May 2010, Mr. Shiv Karan Singh has been inducted on the Board of Directors of the Company as an Additional Director of the Company. As per the provisions of Section 260 of the Companies Act, 1956, he shall hold office only up to the date of the ensuing 16th 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 above person, proposing his appointment as Ordinary Director of the Company retireable by rotation.

17. 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.

However, with the passage of time, it was felt to make some changes/amendments in the existing Scheme to suit the present & future business requirements which could be applicable to all the future grants made under the Scheme in line with several peer companies who adopted multiple vehicles to drive different objectives such as performance and retention while at the same time limit dilution.

Accordingly, the extant 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, on June 9, 2009, and January 29, 2010, the Compensation Committee of the Board of Directors granted 185000 options and 700000 options, respectively, to the eligible employees, each option conferring on the concerned employee a right for one equity share of Rs. 6/- each.

Besides, on May 28, 2010, the Compensation Committee of the Board of Directors further granted 105000 options to the eligible employees, each option conferring on the concerned employee a right for one equity share of Rs. 6/- each.

During the year under Report, 250000 options lapsed on account of cessation of employment of the optionholders.

Further, during the year under Report, pursuant to the Scheme and the terms of the grants made, an aggregate of 1750000 options got automatically vested in the optionholders on expiry of one year from the respective grants.

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 2010. 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.

18. 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 The Bombay Stock Exchange Limited, Mumbai.

Further, during the year under Report, the equity shares of the Company had been voluntarily delisted from Delhi Stock Exchange Ltd. w.e.f. 07.09.2009 vide their letter bearing Ref. DSE/LIST/8510/R/3737 dated September 9, 2009.

19. Ratings for Term Funding

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

20. Membership of Currency Derivatives and Interest Rate Futures Segments at National Stock Exchange of India Ltd.

In order to provide a liquid, transparent and vibrant market for foreign exchange rate risk management, SEBI and RBI allowed trading in currency futures for the first time in India based on the USD-INR exchange rate. In the context of liberalisation of the capital accounts, as also continued development of the financial markets, it was felt that wider hedging opportunities could enhance the flexibility for the resident Indians to manage their currency

risk dynamically. It is also an established fact that the exchange traded currency futures contracts facilitate efficient price discovery, enable better counterparty credit risk management, wider participation, trading of standardized product, reduce transaction costs, etc. Accordingly, as a part of further developing the derivatives market in India and adding to the existing menu of foreign exchange hedging tools available to the residents, National Stock Exchange of India Ltd. (NSE) took initiative to offer trading platform in "Exchange Traded Currency Futures" to its existing and new members by way of its membership. Further, as the Company was already a member of NSE under equity segment and in order to diversify its bouquet of services to its valued clients, your Company, during the year under Report, obtained the membership of the Currency Derivative Segment of NSE.

Besides, during the year under Report, NSE launched Interest Rate Derivatives (IRD), a sub-segment of the Currency Derivatives Segment, focusing on the Debt market which comprises of primary as well as secondary market for Debt instruments - both sovereign and corporate. The need for interest rate derivatives comes from the fact that interest rate risk affects not only the financial sector, but also the corporate and household sectors. The banks, insurance companies, primary dealers and provident funds bear a major portion of the interest rate risk on account of their exposure to government securities. As such, these entities need a credible institutional hedging mechanism. Today, with a large stock of household financial savings on the assets side and an increasing quantum of housing loans on the liabilities side, interest rate risk is becoming increasingly important for the household sector as well.

Accordingly, during the year under Report, being a member of NSE under Equity Derivative Segment and in order to diversify its bouquet of services to its valued clients, your Company obtained the membership of the Interest Rate Derivatives Segment of NSE.

21. Auditors & Auditors' Report

The auditors, M/s. B S R & Co., Chartered Accountants (Firm Registration No. 101248W), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

The members are requested to re-appoint M/s B S R & Co., 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 observations made in 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, except the following:

1. In Point No. (vii) read with Point No. (viii) of the Auditors' Report, the Auditors have drawn the attention to the payment of excess remuneration to the managerial personnel during financial year 2007-08 for the reasons mentioned therein. To that, your Company applied to the Central Government (Ministry of Corporate Affairs) pursuant to the applicable

provisions of the Companies Act, 1956 for waiver from recovery of the excess remuneration paid to the managerial personnel of the Company during financial year 2007-08. Meanwhile, your Company received the aforesaid approval from Ministry of Corporate Affairs vide its letter bearing Ref. File No. A46129623 dated 7th June 2010 granting waiver from recovery of excess remuneration paid to the managerial personnel as aforesaid.

2. In Point 14 of the Annexure to Auditors' Report, the Auditors have drawn the attention that "..... except for investment in equity shares of other companies amounting to Rs. 350000/- which are not held in the name of the Company and investments in equity shares amounting to Rs. 50000/- which are not physically available / misplaced. The carrying value of these shares has been fully provided for in the books of account."

The comments of your directors on the aforesaid are as under :

The Equity Shares of Rs. 300000/- at cost (carrying value Rs. 3000/-) pertains to M/s Dijit Prognosis Pvt. Ltd. which were not held in your Company's name. The said Dijit Prognosis is untraceable (even at its Registered Office Address as appearing on the MCA website), and hence these shares could not be transferred in the name of your Company. The equity shares of Rs. 50000/- at cost (carrying value Rs. 20000/-) pertains to 2500 Equity Shares of M/s Ecoplast India Ltd. and 3000 Equity Shares of M/s Vantech Industries Ltd., the physical certificates of which have been misplaced. Regarding equity shares of M/s Ecoplast India Ltd., your Company is in communication with their Registrar and hope to get the shares transferred. Regarding equity shares of M/s Vantech Industries Ltd., the said company went into liquidation.

22. Particulars of Employees

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, is given in an Annexure forming part of this Report.

23. 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 2009-10.

Foreign Exchange Earnings & Outgo

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

Earnings : Nil

Outgo : Rs. 219103/-

24. Acknowledgements

We thank our valued clients, investors and bankers for their continued support during the year under Report.

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, and other business associates. Your Directors gratefully acknowledge the cooperation and support provided by Central and State Governments and all Regulatory bodies.

Your Directors also place on record their deep appreciation for the exemplary contribution made by the employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

For and on behalf of the Board of Directors

New Delhi
August 13, 2010

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 joining the Company
Vinay Mehta	73.24	Permanent	Appointed for a period of 5 Years	Managing Director	MA, MBA	19 May 2006	56	Centurion Bank of Punjab Ltd.
Jagdeep Singh	43.41	Permanent	Appointed for a period of 5 Years	Whole-Time Director	FCA	01 April 2008	45	Almondz Capital Markets Pvt. Ltd.
Anurag Tripathi	33.00	Permanent	As per Appointment Letter	Executive Vice President	BA (Hons.), PG Programme in Management	22 September 2006	33	Sure Fin Investment
Govind Prasad Agrawal	33.15	Permanent	As per Appointment Letter	Executive Director & CFO	B.Com., LL.B., FCS	01 April 2005	56	Shiva Paper Mills Ltd.
Harjit Singh Sethi	29.30	Permanent	As per Appointment Letter	Country Head, Institutional Equity Broking	B.Com., LL.B.	09 March 2005	40	Bosuna Investors Guild Pvt. Ltd.
Sanjay Dewan	32.91	Permanent	As per Appointment Letter	Sr. Vice President	M.A., CAIIB, PG Diploma in Financial Management	01 January 2003	44	Bajaj Capital Ltd.
Manoj Arora	28.11	Permanent	As per Appointment Letter	Sr. Vice President	M.Com., Diploma in Business Management	04 November 1994	37	N.A.
Navjeet Singh Sobti	52.32	Permanent	Appointed as Wholetime Director	Executive Vice Chairman	FCA	01 July 1996	43	NA
Sankha Dasgupta	35.91	Permanent	As per Appointment Letter	Sr. Vice President	B.Com., PG Diploma in Business Management	10 September 1996	36	Sandhya Banerjee Con., Ex. Management Services
Sharad Rathi	28.50	Permanent	As per Appointment Letter	Sr. Vice President	B.Com.,	16 July 2007	42	N.A.

Annexure 'A' to Directors' Report (Continued)

PARTICULARS OF EMPLOYEE/S (FOR PART OF THE FINANCIAL YEAR) 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 joining the Company
Sumit Tuteja	5.47	Permanent	As per Appointment Letter	National Sales Head	B.Com., PG Diploma in Management	15 October 2006	32	Indiabulls Securities Ltd.
Jitendra Kumar Bhagat	6.19	Permanent	As per Appointment Letter	Executive Director	B.Sc. (Hons.)	14 August 2009	46	Bajaj Allianz Life Insurance Co. Ltd.
Shiv Madan	13.07	Permanent	As per Appointment Letter	Sr. Vice President	B.Com.	31 July 2009	38	Arcadia Shares & Stock Brokers Pvt. Ltd.
Sanjeev Sadanand Patkar	10.89	Permanent	As per Appointment Letter	Head of Research	MMS - Marketing	19 January 2010	42	Dolat Capital Markets Pvt. Ltd.
Rajinder Kumar Arora	18.75	Permanent	As per Appointment Letter	Head - Business Development	B.Com. (Hons.), MBA	31 July 2009	47	Arcadia Shares & Stock Brokers Pvt. Ltd.
Sunit Shangle	21.89	Permanent	As per Appointment Letter	Vice President	B.Com. (Hons.), FCA	01 April 2008	44	P. G. Group of Companies

* 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 2010)

Nature of Disclosure		Particulars
a)	Options granted during the year	ESOS 2007 : 8,85,000 options
b)	Pricing Formula	<p><u>Third Tranche (granted on June 09, 2009)</u> The exercise price was determined as Rs. 33.35 (Rupees Thirty Three and Thirty 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 185000 options were granted.</p> <p><u>Fourth Tranche (granted on January 29, 2010)</u> The exercise price was determined as Rs. 53.25 (Rupees Fifty Three and Twenty Five paise Only) which was the closing price of the equity shares of the Company at National Stock Exchange of India 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 700000 options were granted.</p>
c)	Options vested during the year	1750000
d)	Options exercised during the year	Nil
e)	The total number of shares arising as a result of exercise of options during the year	Nil
f)	Options lapsed during the year	2,50,000 options
g)	Variation of Terms of Options	No variations made in the terms of the options granted during the year
h)	Money realized by exercise of options	N. A. (as no exercise was made during the year)
i)	Total number of options in force (at the end of the year)	ESOS 2007 : 35,05,000 options
j)	Employee-wise details of options granted i) Senior Managerial Personnel	Name
		No. of options granted
		Jagdeep Singh
		250000
		Harjit Singh Sethi
		250000
		Kunal Yadav
		150000
		Sanjeev Sadanand Patkar
		100000
		Manoj Arora
		50000
		Anuj Kalia
		40000
		Rajiv L. Jha
		30000
		Mahender Gupta
		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. 4.22

Annexure 'B' to Directors' Report (Continued)

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 2010)

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	Nil	
	The impact of this difference on profits and on EPS of the Company	Nil	
m)	i. Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock	Third Tranche : Rs. 33.35 and Rs. 31.42 Fourth Tranche : Rs. 53.25 and Rs. 21.34	
	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	
		Third Tranche	Fourth Tranche
	(i) risk-free interest rate (%)	6	6.9
	(ii) expected life (No. of years)	3.5	3.5
	(iii) expected volatility (%)	77.7	52.6
	(iv) dividend yield (%)	7.5%	7.5%
	(iv) the price of the underlying share in the market at the time of option grant	46.10	46.10

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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

Economy : Review

The Indian economy has shown signs of significant improvement, after witnessing a moderation in fiscal 2009. A strong domestic consumption led the recovery, primarily supported by an accommodative monetary policy.

Strong domestic demand and a relatively lower dependence on exports helped the economy emerge from the global economic crisis. Even as the world economies began to recover, the Indian economy started showing healthy signs in mid CY09, shrugging a below normal monsoon. Both private consumption and investment picked up quite sharply along with Government spending.

The industrial sector was the clear driver of economic recovery, growing at 10% over the last fiscal as against 2.8% a year ago. The revival in industrial growth was broad-based led by pick-up in consumer durables, other industrial sectors such as basic goods, intermediate goods and more importantly capital goods. As a result the Index of Industrial Production (IIP) jumped by 10.4% during fiscal 2010 compared to 2.7% during the fiscal 2009. Exports growth turned positive from Q3FY09.

Though, service sector growth was an outcome of increased government expenditure, private services such as trade, transport and communication also gathered pace and momentum by the second half FY10 and is likely to keep the service sector growth strong through the next financial year. Overall, the service sector is estimated to have grown by 8.5% as against 9.7% a year ago. Of this the private services is estimated to have grown at 8.9% as against 8.4%.

The recovery process was impeded by a below normal rainfall and the drought like situations unfolding thereof in various parts of the country. This saw the agricultural output contracting by about 0.6% last year. In spite of that GDP is estimated to have grown by 7.2% for the fiscal ended March 31, 2010 as against 6.7% in the previous year.

India's external sector also witnessed improvement as reflected in the turnaround in exports, buoyancy in capital inflows and further accretion to the country's foreign exchange reserves. India's balance of payments position

during April-December 2009 remained comfortable with a modest increase in current account deficit, despite a lower trade deficit. There has been a turnaround in capital inflows, mainly led by portfolio inflows. India's foreign exchange reserves stood at US\$ 279.1 billion as at end-March 2010 up by US\$ 27.1 billion during FY 2009-10. Indian Rupee (INR) also appreciated against the major currencies during FY 2009-10.

Inflation Outlook and exit from the accommodative Policy Stance

An accommodative monetary policy stance by the RBI had been critical to the economic recovery post the severe stress faced in the economy due to the global meltdown. Policy rates like Statutory Liquidity Ratio (SLR), Cash Reserve Ratio (CRR) and Repo Rates were eased leading to a fall in the average lending rates of banks by close to 2.75%. Besides these, steps were taken to ease liquidity.

However, the accommodative monetary policy had to be exited due to the Inflationary pressures exhibited during the second half of fiscal 2010, driven largely by galloping food prices.

The headline Wholesale Price Index (WPI) inflation, moderated in the first half of FY 2009-10 to a low of a low of -1.0% in June 2009, before firming up in the second half of the year to 9.9% in March 2010

The high Inflation has been largely supply-side driven, primarily due to increase in agricultural commodity prices. Though, the cascading effect has led to emerging signs that inflation is getting more broad-based with visible increase in prices of INDUSTRIAL products. The manufactured goods inflation increased to 7.4% from a low of -0.2% in July, 2009.

The Reserve Bank of India (RBI) commenced exiting the accommodative stance adopted in response to the global financial crisis, in view of inflationary pressures and the recovery in economic activity. SLR was increased by 100 basis points from 24.0% to 25.0% in October 2009, the CRR by 75 basis points to 5.75% in February 2010 and the Repo and Reverse repo rates by 25 basis points each to 5.0% and 3.5% respectively in March 2010. (There was a further increase of 25 basis points each in CRR to 6.0%, repo rate to 5.25% and reverse repo rate to 3.75% in its annual policy review in April 2010 announced).

Performance of the Indian Capital Markets

The Indian equity markets reflected the upswing in the economic environment and due to the general improvement in global risk appetite, rallying sharply during the last financial year. Net FII inflows revived to Rs. Rs.142,658 crore during April-March 2010 including debt instruments during FY 2009-10. This FII investment in FY 2009-10 has proven to be the highest ever inflow in the country in rupee terms in a single financial year, breaking the previous high of Rs.66,179 crore recorded in FY 2007-08.

Global investors, who were predicting a severe recession, started pricing in a smart rebound in the global economy pushing the world equity markets higher, including Indian equity market which was among the fastest growing markets in the world during this phase. During the fiscal 2010, the equity markets increased significantly with

the benchmark indices viz., BSE Sensex and Nifty outperforming most of their global peers. The BSE Sensex which touched a low of 7,697 points during FY 2008-09 rose to a high of 17,793 points during FY 2009-10 and closed at 17,528 points on March 31, 2010 as against 9,708 points on March 31, 2009, registering a growth of over 80% year-on-year basis. Similarly, the broader S&P CNX Nifty from the low of 2,524 points during FY 2008-09 saw a high of 5,303 points during FY 2009-10 finally closing at 5,249 points as on March 31, 2010 growing at ~74% year-on-year basis. The total market capitalisation of the companies listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) as on March 31, 2010 doubled to Rs. 6,165,619 crore and Rs. 6,009,173 crore respectively as compared to Rs. 3,086,076 crore and Rs. 2,896,194 crore as on March 31, 2009. Improved sentiments in the capital markets also led to increase in the trading activities.

Riding on buoyant market conditions, the primary market regained activity with the Indian corporate sector raising almost five times more than the previous year, raising Rs.83,240 crore during April 2009 to February 2010 as compared to Rs.14,908 crore in FY 2008-09.

During FY 2009-10, the mutual funds mobilized Rs. 83,080 crore (Rs.28,152 crore and Rs. 54,928 crore by public sector and private sector mutual funds respectively) from the investors as against a net redemption of Rs. 28,296 crore during FY 2008-09. The cumulative value of assets under management of mutual funds increased by 47% to Rs.613,979 crore as on March 31, 2010 as compared to Rs. 417,299 crore as on March 31, 2009.

Against the increased buoyancy in the Equity markets, the Debt markets remained lackluster on account of inflationary concerns, increased policy rates and the large government borrowing programme. The yield on 10-year government securities increased by 81 basis points from 7.01% at March 31, 2009 to 7.82% at March 31, 2010. Besides this, the Corporates Bond market continued to remain shallow and under penetrated, with corporates shying away from Debt markets as a source of capital. The overbearance of the Government Bonds which finds buyers in the Commercial Banks due to the reserve requirements, effectively crowds out the Corporate bond markets, leading to underdevelopment inspite of a huge potential.

Private Equity – Gaining Prominence in India

Private Equity (PE) as a source of raising funds is gaining prominence in India. Presently, there are over 200 active funds in India including 15 of the top 20 global funds. Indian corporates are increasingly becoming receptive to raising funds from PE investors. In terms of deal value Power, Real Estate and IT/ITES sectors witnessed the highest activities. FY 2009-10 also marked the start of the exit cycle for the PE investors for the investments done by them earlier. A considerable number of companies, which have raised funds from PE in the past, are preparing for IPO, evaluating strategic options or are being evaluated by other funds to replace positions.

From January 2006 till March 2010, India has now seen investments of about US\$ 40.9 billion across 1,117 deals. Barring the ones which have already seen exits, a majority of this pool comprises potential exit candidates through IPOs, M&A, or secondary sale.

Policy Changes – Capital Markets

The Indian securities market has seen a rapid expansion in the amount of capital raised from the primary market, the number of intermediaries, market capitalisation, trading volumes, turnover on stock exchanges and investor population.

The market regulator SEBI has been pro-active with its policy changes to keep pace with the changing market dynamics. Some of the key regulatory changes that were introduced during the year and the implications thereof are as under :

- Introduction of simplified Listing Agreement for debt securities rationalizing the disclosure norms for listing of debt securities.
- Simplified requirements for issue and listing of Indian Depository Receipts issued by companies from countries whose securities market regulators are the signatories to Multilateral Memorandum of Understanding of International Organisation of Securities Commissions.
- Removal of entry load for all mutual funds schemes reducing the cost of investment for the investors, but making marketing of mutual funds schemes vis-à-vis other financial products such as company fixed deposits, ULIP, etc. difficult.
- Introduction of Exchange Traded Interest Rate Futures.
- Notification of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) in place of the SEBI (Disclosure and Investor Protection) Guidelines, 2000. While incorporating the provisions of the Guidelines into the ICDR Regulations, certain changes have been made by removing the redundant provisions, modifying certain provisions on account of changes necessitated due to market design and bringing more clarity to the provisions for capital issuance.
- Permitted the Stock Exchanges to increase the trading hours to eight hours from 9.00 a.m. to 5.00 p.m. The Stock Exchanges however have extended their trading hours to six and half from 9.00 a.m. to 3.30 p.m.

(Source : Various reports and websites of RBI, SEBI, IMF, Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Bloomberg, and other print and electronic media.)

(B) OPPORTUNITIES & THREATS

The Indian economy is expected to grow at a healthy rate over 8% in FY 2010-11 leading to significant investments by both the public and private sector companies. There will be a commensurate sizeable capital requirement to fund these investments which will present opportunities for investment banking and advisory business. With increase in the income levels, change in attitude from wealth protection to wealth creation and risk taking abilities of the youth, there is also a huge market opportunity for wealth management service providers. Improved sentiments in the secondary markets will also enhance the participation of investors across segments thereby helping the prospects of equity brokerage business. The regulatory reforms being pursued by the regulatory bodies and pro-investor approach will ensure wider market participation by individuals, domestic institutional investors and FIIs.

The pace of economic recovery in India is reflective of the transitory impact of the global financial crisis on the Indian economy. India's strong domestic fundamentals are expected to remain operative over the long-term, with the twin drivers of consumption and investment supporting sustained high growth for the economy. Over the next year, while economic recovery is expected to strengthen and assume a broad-based nature, the management of inflation expectations, the pace of withdrawal of stimulus measures and the management of systemic liquidity in view of the large government borrowing programme and the impact of volatile global markets on capital flows will be key factors impacting the economy and financial markets.

The performance of capital market in India has a direct correlation with the prospect of economic growth and

political stability. Though the growth projections for FY 2010-11 appear reassuring, there are certain downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices. Accommodative monetary policies in advanced economies, coupled with better growth prospects in Emerging Markets (EMs) including India, are expected to trigger large capital inflows in EMs which in turn could lead to inflationary pressures and asset price bubble. Our business performance may also be impacted by increased competition from local and global players operating in India, regulatory changes, and attrition of employees. With growing presence of players offering advisory service coupled with provision of funds for the clients' needs, we would face competition. We continuously tackle this situation by providing increasingly superior customized services.

(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 :

Segment		Year ended 31 March 2010	Year ended 31 March 2009
Debt & Equity Market Operations	Net Revenue	3145	3542
	Expenses	950	1049
	Profit before Tax	2195	2493
Corporate Finance / Advisory Fees	Net Revenue	1939	1079
	Expenses	968	802
	Profit before Tax	971	277
Distribution Operations	Net Revenue	1374	1344
	Expenses	1167	1403
	Profit before Tax	207	(59)
Equity Broking	Net Revenue	1327	919
	Expenses	2245	1748
	Profit before Tax	(918)	(829)

Debt & Equity Market Operations

Our Debt Market operations comprise dealing/trading in securities, bonds, etc. We believe that the governments push on creation of infrastructure will fuel significant demand for debt. Our expertise and leadership position in this arena will help us capitalize on this opportunity.

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.

During FY 2009-10, the primary market remained subdued with 47 issues collected an aggregate of Rs. 49,441 crores as against previous year figure of Rs. 3,534 crores with

22 issues. Your Company handled 2 IPOs as Book-Running Lead Manager aggregating to Rs. 105.68 crores; one assignment as Syndicate Member and one Open Offer assignment during the current financial year.

During the year, your Company was associated as an Arranger with 36 bond issues aggregating to Rs. 29,202.57 Crores. Your Company's total market share in the Indian Bond Market was 16.8%. During the year, your Company managed the maiden issue of Airport Authority of India (Rs. 300 Crores), Taxfree issues of Indian Railway Finance Corporation (Rs. 1920 Crores), Power Finance Corporation Limited (Rs. 9459 Crores), Damodar Valley Corporation (Rs. 640 Crores), Steel Authority of India Limited (Rs. 785 Crores), PTC Financial Services Limited (Rs. 100 Crores) and other issues. On the term loan syndication front, your Company syndicated funds to the tune of Rs. 2500 Crores. Your Company was associated with projects like Brahmaputra Cracker and Polymers Limited (Gas Cracker project undertaken by GAIL India Limited,

Oil India Limited, NRL Limited, and Govt. of Assam, jointly), Golden Jubilee Hotels Private Limited – A Joint venture of EIH Limited (Oberoi Group).

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.

Since the abolition of entry loads from mutual funds investments in August 2009 by SEBI, the MF industry is still to recover from the aforesaid blow. For the MF industry, the last year had been quite taxing with net flow of funds into equity schemes virtually dried up with a net outflow of Rs. 11560 crores. With distributors reluctant to aggressively push MF schemes, the number of new fund offers (NFOs) had also seen a sharp decline both in terms of numbers as well as collections. Accordingly, your Company had also diversified its distribution operations to include other financial products, viz. insurance products, bonds, and corporate deposits, besides adopting the wealth management and advisory roles with focus on high net worth clients by slightly tweaking its business model.

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 FIIs. Both our Retail and Institutional equity broking divisions are still being strengthened, hence their negative contributions. We expect the situation to improve once the backend is tied up.

(D) OUTLOOK & STRATEGY

The Indian economy is firmly on the recovery path and the key indicators support the perception of a consolidating recovery. The improved performance of the industrial and services sector is also reflected in the improved profitability in the corporate sector. Acceleration of reforms and capital inflows will spur investment; however, the risks from high inflation, higher cost of capital arising from high fiscal deficit and exit from the expansionary monetary policy could have a dampening effect on the growth. India's growth prospects remain bright with its growth being well balanced and largely driven by domestic consumption.

With strengthening of the economy and stable economic environment, the Indian capital market is expected to perform well. Given the robust growth prospects, we seek to consolidate our position as one of the leading financial services groups in India. Our strategy for achieving this goal is to keep deepening our portfolio of financial services and products, provide effective financial solutions, effective risk management and build a business model that is well diversified across financial market activities with unique strengths in each business. We will continue to focus on our clients and endeavor to deliver unique solutions to their satisfaction and ensure accountability, transparency, professionalism and risk containment.

We will continue to capitalize on the advisory and funds raising opportunities thrown up by the growing economic activity and the outlook utilizing our team of experienced and committed professionals.

(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 Internal Audit & Compliance functions which are responsible for independently evaluating the adequacy of all internal controls and ensuring that all verticals adhere to internal processes and procedures as well as to regulatory and legal requirements. The audit function also proactively recommends improvements in operational processes and service quality. The Audit Committee of the Board reviews the performance of the Audit & Compliance functions and reviews the effectiveness of controls and compliance with regulatory guidelines.

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, 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, 2010, the Company earned a total income of Rs. 7932.45 Lacs, as against previous year's Rs. 6986.53 Lacs – an increase of 13.54%. As per the Consolidated Accounts, the total income was Rs. 8297.07 Lacs, as against the previous year's Rs. 7092.05 Lacs – an increase of 16.99%. The net profit of the Company for the year was Rs. 1077.57 Lacs (13.58% of total income) as compared to Rs. 600.40 Lacs (8.59% of total income) in the previous year. As per the Consolidated Accounts, the net profit for the year was Rs. 1097.93 Lacs (13.23% of total income) as compared to Rs. 548.25 Lacs (7.73% of total income) in 2008-09.

All the businesses of the Company saw an upward move during the year and posted higher revenues with the exception of Debt Market Operations.

(G) 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 480 on 31 March 2010. The Company has a young and vibrant team (average age: 35 years) of qualified professionals.

(H) CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report. In view of this and in accordance with the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, 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. The requisite financial information relating to all the Subsidiary Companies, in the aggregate, has been disclosed in the Consolidated Financial Statements, as required 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.

(I) 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.

(J) 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.

RBI in its monetary policy statement for fiscal 2011 has proposed to undertake a study of the implications of the IFRSs convergence process and also to issue operational guidelines as appropriate and to disseminate information through learning programmes with a view to preparing entities to adhere to the roadmap.

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.

(K) 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 has 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 2009-10 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 9 (Nine) Directors with a Non-Executive Chairman. Of the Nine Directors, Six (i.e. 67%) are Non-Executive as well as Independent Directors and Three (i.e. 33%) are Executive Directors. On 28 May 2010, a non-executive and independent director namely Mr. Shiv Karan Singh had been inducted as an Additional Director on the Board 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, 2010 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.

The Securities and Exchange Board of India (SEBI), vide its circular dated April 08, 2008, amended Clause 49 of the Listing Agreement which, inter alia, stipulated that if the non-executive Chairman is a promoter or is related to promoters, at least one-half of the Board of the company should consist of independent directors. In view of the above change introduced by SEBI, the Chairman of your Company is neither a promoter nor related to the promoters of your Company.

DELIBERATELY LEFT BLANK

The following Table gives the composition and other information of our Board pursuant to the annual / initial disclosure made by the Board members :

Sl. No.	Name	Category / Designation	Age (in Years)	No. of Directorship/s in other Companies*	No. of Membership(s) / Chairmanship(s) in Board Committees (including those of the Company) ¹	
					Member	Chairman
1.	Atul Kumar Shukla	Non-Executive & Independent Chairman	64	6	2	1
2.	Sita Ram Bansal	Non-Executive & Independent Director	65	1	NIL	2
3.	Krishan Lal Khetarpaul	Non-Executive & Independent Director	67	2	2	NIL
4.	Qais M.M. Al-Yousef	Non-Executive & Independent Director	36	NIL	NIL	NIL
5.	Krishna Kumar Gupta	Non-Executive & Independent Director	56	1	NIL	NIL
6.	Surendar Kumar Sood *	Non-Executive & Independent Director	62	NIL	NIL	NIL
7.	Shiv Karan Singh [†]	Non-Executive & Independent Director	59	NIL	NIL	NIL
8.	Amarjyot Singh Anand [#]	Non-Executive & Independent Director	32	N.A.	N.A.	N.A.
9.	Vinay Mehta	Managing Director	56	4	1	NIL
10.	Navjeet Singh Sobti	Executive Vice Chairman	43	5	NIL	NIL
11.	Jagdeep Singh	Wholetime Director	45	4	1	NIL

* This does not include private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

¹ This includes membership / chairmanship of Audit Committee and Shareholders' Grievance Committees of the Board of Directors.

& Surendar Kumar Sood was appointed as an Additional Director of the Company w.e.f. 29 July 2009.

Shiv Karan Singh was appointed as an Additional Director of the Company w.e.f. 28 May 2010.

@ On 29 July 2009, Amarjyot Singh Anand vacated his office as Director of the Company under the provisions of Section 283(1)(g) of the Companies Act, 1956.

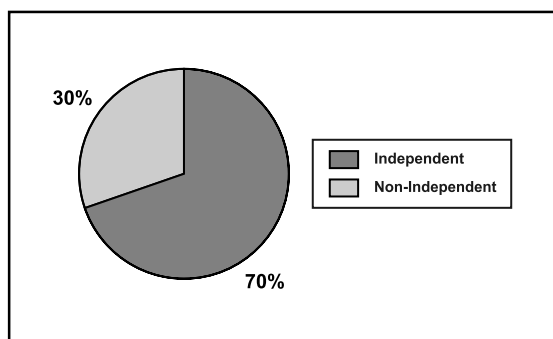
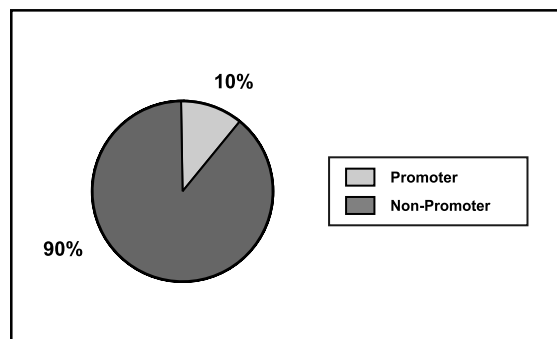
The directors of your Company are not related with each other.

As to the limitation on the number of Committee positions a director can held 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 above Table. 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 64 years, is the Former Chairman of Life Insurance Corporation of India and has experience of around 41 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 43 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 56 years, is a seasoned Banker having around 33 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), Wholtime Director, aged 45 years, has more than 20 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 65 years, having more than 37 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 has been the Government Nominee on the Council of the Institute of Company Secretaries of India.

Krishan Lall Khetarpaul (M.A. Economic Statistics), Non-Executive & Independent Director, aged 67 years, is a seasoned banker having more than 37 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.

Qais M. M. Al-Yousef (MIM), Non-Executive & Independent Director, aged 36 years, is holding Masters in Management (Stanford University, USA) and Graduate Degree in Economics (Williams College, USA) besides having attended Senior Executive Programme from Harvard Business School. He is having experience of around 13 years in the area of Enterprise Resource Planning, Regional Expansion, Direct Business Development, Business & Contract Negotiations, Project Financing, Human Resources and Portfolio Management. Presently, he is the CEO of Al Yousef Group LLC, Muscat, Oman, besides holding directorships in Taageer Finance Co. SAOG and Premier Logistics Group LLC. He interned with Goldman Sachs & Co. and with Intern-Advisory Deptt. of JP Morgan & Co. He was also the youngest chairman of Gulf Commercial Bank (a publicly traded commercial bank in Pakistan).

Krishna Kumar Gupta (MMS, LL.B.), Non-Executive & Independent Director, aged 56 years, is holding Masters in Management Science besides being a Graduate in Law as well as Science. He is having around 33 years of experience in International Banking, Corporate Banking, Investment Counselling, Portfolio Management, Project Appraisals, Treasury & Investment Management, Investment Banking, Finance & Corporate Planning, and Private Equity Investments. Presently, he is the CEO of Al Anwar Holdings SAOG, a Muscat based Investment company. Besides, he also held Managing Directorships of Atcom Technologies Ltd., Radical Systech (India) Ltd., and Pittie Finance Ltd. In India, he acted as Chief Manager-Treasury & Investment Management & Project Appraisals with SBI Capital Markets Ltd. and was also associated with State Bank of India on various levels.

Surendar Kumar Sood (Retd. IAS), Non-Executive & Independent Director, aged 62 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.

Shiv Karan Singh (MBA, APC), Non-Executive & Independent Director, aged 59 years, is having 33 years of experience in consulting, investment banking, telecommunications, insurance, BPO and IT related services. He worked for 16 years in the US with Merrill Lynch and Equitable Life Assurance (now part of AXA). In 1999, he set up the advisory firm, India Contact Center Advisory, which provides consultancy services to major US and UK companies for BPO and IT related services. Besides, he has been (i) Country representative for Global Technology Distributors Council, US; Country representative for Lincoln Financial Group, US, and Canada Life, Canada; and Country representative for Swedish Telecom (Telia) for their joint venture with Bharti Airtel for telecommunications in India, (ii) Managing Director for Trinity Horne, UK, in India for management productivity improvement consultancy to

BPO, IT and Telecommunication companies, and (iii) Head of Investment Banking with HSBC in New Delhi.

(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 under report, 5 (Five) Board Meetings were held on 21 May 2009 (108th), 29 June 2009 (109th); 29 July 2009 (110th); 30 October 2009 (111th); and 29 January 2010 (112th). Detailed Agenda with explanatory notes and related information were circulated among the members of the Board in advance of each meeting.

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.

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The attendance of the individual Director in the aforesaid meetings was as follows :

Name & Designation of Director	Date of Board Meeting				
	21 May 2009 (108th)	29 June 2009 (109th)	29 July 2009 (110th)	30 October 2009 (111th)	29 January 2010 (112th)
Atul Kumar Shukla, Chairman	Present	Present	Present	Present	Present
Sita Ram Bansal, Director	Present	Present	Present	Present	Present
Krishan Lall Khetarpaul, Director	Present	Present*	Present	Leave of Absence	Present
Amarjyot Singh Anand, Director	Absent	Absent	Absent	N.A. [@]	N.A. [@]
Qais M. M. Al-Yousef, Director	Leave of Absence	Present	Leave of Absence	Leave of Absence	Leave of Absence
Krishna Kumar Gupta, Director	Present	Present	Present	Present	Present
Surendar Kumar Sood, ^{\$} Director	N.A.	N.A.	N.A.	Present	Present
Vinay Mehta, Managing Director	Present	Present	Present	Present	Present
Navjeet Singh Sobti, Executive Vice Chairman	Present	Present	Present	Present	Present
Jagdeep Singh, Wholetime Director	Present	Present	Present	Present	Present
Shiv Karan Singh, [#] Director	N.A.	N.A.	N.A.	N.A.	N.A.

* Attended through video conferencing

@ Amarjyot Singh Anand vacated the office of Director of the Company under the provisions of Section 283(1)(g) of the Companies Act, 1956 w.e.f. 29 July 2009

\$ Surendar Kumar Sood was appointed as an Additional Director of the Company w.e.f 29 July, 2009

Shiv Karan Singh has been appointed as an Additional Director of the Company w.e.f 28 May, 2010

(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) 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 24, 2009 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 :

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(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 21 May 2009, 29 June 2009, 29 July 2009, 30 October 2009 and 29 January 2010.

For the approval of the Annual Accounts of the Company for FY'09-10, the meeting of the Audit Committee was held on 28 May 2010. The attendance of the members of the Committee during the Financial Year under Report is as under :

Name / Composition	Category	Meetings Held / Attended
Sita Ram Bansal (Chairman)	Non-Executive & Independent	5/5
Atul Kumar Shukla (Member)	Non-Executive & Independent	5/5
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent	5/4*

* including one meeting dated 29 June 2009 attended through video conferencing

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 under Section 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) Two meetings of the Remuneration Committee were held during the year on October 30, 2009 and February 27, 2010.
- 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 Held / Attended
Sita Ram Bansal (Chairman)	Non-Executive & Independent	2/2
Atul Kumar Shukla (Member)	Non-Executive & Independent	2/2
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent	1/2

- v) The Chairman of the Remuneration Committee, Mr. Sita Ram Bansal, was present at the last Annual General Meeting of the Company held on 24 September 2009.

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, 2010 :

a) Non-Executive Directors :

Name	Sitting Fees (Rs. Lacs)
Atul Kumar Shukla	1.00
Sita Ram Bansal	1.20
Krishan Lall Khetarpaul	0.65
Amarjyot Singh Anand*	0.00
Qais M. M. Al-Yousef	0.10
Krishna Kumar Gupta	0.50
Surendar Kumar Sood	0.20
Shiv Karan Singh**	N.A.

* Amarjyot Singh Anand ceased to be a director of the Company w.e.f. 29 July 2009 on account of vacation u/s 283(1)(g) of the Companies Act, 1956

** Shiv Karan Singh joined the Board of Directors of the Company on 28 May 2010

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b) Managing Director and Wholtime Directors :

Name & Designation	Salary, Perquisites, & other allowances (in Rs.)	Stock Options granted during the year	Appointment till
Navjeet Singh Sobti, Executive Vice Chairman	5231750/-	N. A.*	18 May 2011
Vinay Mehta, Managing Director	7324450/-	Nil	18 May 2011
Jagdeep Singh, Wholtime Director	4341000/-	250000	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'

** Mr. Jagdeep Singh has been re-appointed as the Wholtime Director of the Company w.e.f. 1 December 2009 for a period of five years

viii) Details of Shares of the Company held by the Directors as on March 31, 2010 (based on disclosure made to the Company) are as below :

Name & Designation	No. of Shares held	% Shareholding
Atul Kumar Shukla, Chairman	Nil	N. A.
Sita Ram Bansal, Director	Nil	N. A.
Krishan Lall Khetarpaul, Director	Nil	N. A.
Amarjyot Singh Anand*	Nil	N. A.
Qais M. M. Al-Yousef, Director	Nil	N. A.
Krishna Kumar Gupta, Director	9014	0.03%
Surendar Kumar Sood, Director	Nil	N. A.
Shiv Karan Singh, Director**	N. A.	N. A.
Vinay Mehta, Managing Director	Nil	N. A.
Navjeet Singh Sobti, Executive Vice Chairman	50700	0.20%
Jagdeep Singh, Wholtime Director	285200	1.13%

* Amarjyot Singh Anand ceased to be a director of the Company w.e.f. 29 July 2009 on account of vacation u/s 283(1)(g) of the Companies Act, 1956

** Shiv Karan Singh joined the Board of Directors of the Company on 28 May 2010

V. Share Transfers & Shareholders Grievance Committee

- i) 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.
- ii) Three meetings of the Committee were held during the year on 15 July 2009, 16 October 2009, and 8 January 2010.
- iii) 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 / Designation	No. of Meetings Held / Attended
Sita Ram Bansal, Chairman	Non-Executive & Independent	3/3
Jagdeep Singh, Member	Wholetime Director	3/3
Vinay Mehta, Member	Managing Director	3/3

- iv) The minutes of the meetings of the Committee are placed in the subsequent Board Meetings held thereafter. The Vice President & 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 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 Vice President & Company Secretary, who are 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 :
Rajiv L. Jha
Vice President & 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 during the year	Resolved during the year	Closing Balance
Nil	38	38	Nil

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

VI. Other Committees**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, ten meetings of the Committee were held on 1 May 2009, 15 June 2009, 29 July 2009, 11 September 2009, 23 October 2009, 17 November 2009, 6 January 2010, 6 February 2010, 10 February 2010, 22 March 2010, 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 Held / Attended
Vinay Mehta, Chairman	Managing Director	10/10
Jagdeep Singh, Member	Wholetime Director	10/9
Navjeet Singh Sobti, Member	Executive Vice Chairman	10/3

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 was held.

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

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

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 :

- a) 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;
- b) 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;
- c) 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, two meetings of the Committee were held on 12 March 2010 and 30 March 2010. The composition and attendance of the Committee members at these meetings were as under :

Name / Composition	Category / Designation	No. of Meetings Held / Attended
Vinay Mehta, Chairman	Managing Director	2/1
Jagdeep Singh, Member	Wholetime Director	2/2
Navjeet Singh Sobti, Member	Executive Vice Chairman	2/1

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 :

- a. To frame various Plan Series under the Scheme from time to time;
- b. To determine the number of Options to be granted per employee and in aggregate and the times at which such Grants shall be made;

- c. To lay down the conditions under which Options Vested in Optionees may lapse in case of termination of employment for misconduct etc.
- d. To lay down the conditions under which Options Vested in Optionees may lapse in case of voluntary surrender of options by Optionees.
- e. 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.
- f. To specify the time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- g. 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.
- h. 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.
- i. To lay down the method for satisfaction of any tax obligation arising in connection with the Options or the Shares.
- j. To lay down the procedure for cashless Exercise of Options, if any.
- k. 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.
- l. 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.
- m. To formulate the detailed terms and conditions of the Scheme including terms in relation to the matters enumerated hereinbefore;
- n. 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, three meetings of the Committee were held on 9 June 2009, 29 January 2010,

and 27 February 2010. 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	3/3
Krishan Lall Khetarpaul, Member	Non-Executive & Independent	3/3
Sita Ram Bansal, Member	Non-Executive & Independent	3/3
Navjeet Singh Sobti, Member	Executive Vice Chairman	3/2
Vinay Mehta, Member	Managing Director	3/3

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	Wholtime 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 role of the Committee shall be 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.

On 29 July 2009, the Board delegated one additional power to the Committee which is 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, one meeting of the Committee was held on 19 August 2009. The composition, category and attendance of Committee members at the said meeting were as under :

Name / Composition	Category / Designation	No. of Meetings Held / Attended
Sita Ram Bansal, Chairman	Non-Executive & Independent	1/1
Jagdeep Singh, Member	Wholtime Director	1/1
Vinay Mehta, Member	Managing Director	1/1

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 2010) are hereunder :

Shiv Karan Singh brings 33 years of experience in consulting, investment banking, telecommunications, insurance, BPO and IT related services. He worked for 16 years in the US with Merrill Lynch and Equitable Life Assurance (now part of AXA). In 1999, he set up the advisory firm, India Contact Center Advisory, which provides consultancy services to major US and UK companies for BPO and IT related services. The services included vendor selection, strategic alliances, productivity improvement, benchmarking and acquisitions.

Along with his consultancy services, Mr. Singh has been :

- Country representative for Global Technology Distributors Council, US, for bringing sales database services and providing an industry wide platform for the Indian IT distributors in India.

- Managing Director for Trinity Horne, UK, in India for management productivity improvement consultancy to BPO, IT and Telecommunication companies.
- Country representative for Lincoln Financial Group, US, and Canada Life, Canada, for their proposed entry in India for the insurance business.
- Country representative for Swedish Telecom (Telia) for their joint venture with Bharti Airtel for telecommunications in India.
- Head of Investment Banking with HSBC in New Delhi.

In 2005, he started an Indian contemporary art private collection for select overseas investors and continues to run this private collection.

Mr. Singh's education consists of:

- MBA in Finance and Accounting from London Business School
- APC in Business Economics from Stern Business School, New York University
- BA (Hons.) in Mathematics from St. Stephen's College, Delhi University

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mirchi Arts Pvt. Ltd., Director	—	—

Sita Ram Bansal is a Fellow Member of the Institute of Chartered Accountants of India as well as a Law Graduate. He has got more than 37 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 M/s 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 has been the Government Nominee on the Council of the Institute of Company Secretaries of India.

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Almondz Commodities Private Limited Director	—	—

Krishna Kumar Gupta is holding Masters in Management Science besides being a Graduate in Law as well as Science. He is having around 33 years of experience in International Banking, Corporate Banking, Investment Counselling, Portfolio Management, Project Appraisals, Treasury & Investment Management, Investment Banking, Finance & Corporate Planning, and Private Equity Investments. He held the position of CEO in Al Anwar Holdings SAOG, a Muscat based Investment company. Besides, he also held Managing Directorships of Atcom Technologies Ltd., Radical Systech (India) Ltd., and Pittie Finance Ltd. In India, he also acted as Chief Manager-Treasury & Investment Management & Project Appraisals with SBI Capital Markets Ltd. and was also associated with State Bank of India on various levels.

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Almondz Finanz Ltd., Director	—	—

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
13th Annual General Meeting (2006-07)	18 Sep., 2007	09:30 A.M.	PHD Chamber of Commerce & Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016
14th Annual General Meeting (2007-08)	24 Sep., 2008	09:30 A.M.	
15th Annual General Meeting (2008-09)	24 Sep., 2009	10:00 A.M.	

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b) Extraordinary General Meeting :

During the year under Report, one extraordinary general meeting of the shareholders of the Company was held on 27 February 2010 for seeking approval of shareholders for issuance of warrants, convertible into equity shares, of the Company.

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
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, and NRIs their sub-accounts.
14th Annual General Meeting	(1) Confirmation of the appointment of Mr. Jagdeep Singh as the Wholetime Director of the Company w.e.f. 1 April 2008. (2) Confirmation to the payment of managerial remuneration to Mr. Jagdeep Singh on his appointment as the Wholetime Director of the Company (3) Authorisation to the Company for voluntary delisting of the equity shares of the Company from the Delhi Stock Exchange Ltd. (4) 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
13th Annual General Meeting	(1) Authorisation to the Company for voluntary delisting of the equity shares of the Company from the Delhi Stock Exchange Association Ltd. (2) 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. (3) Alteration of Articles of Association of the Company. (4) Authorisation under Section 81(1A) for issuance of various securities of the Company.

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 three occasions :

The Company sought approval of the members as set out in the notice dated 5 March 2010 for :

- 1) Approval to the increase in remuneration of Mr. Vinay Mehta, Managing Director of the Company w.e.f. 1 February 2010 [Special Resolution u/s 269, 198, 309, 310 read with Schedule XIII to the Companies Act, 1956 and Central Government Approval] (referred to as "Resolution No.1" in the following table);
- 2) Approval to the increase in remuneration of Mr. Navjeet Singh Sobti, Wholetime Director (designated as Executive Vice Chairman) of the Company w.e.f. 1 February 2010 [Special Resolution u/s 269, 198, 309, 310 read with Schedule XIII to the Companies Act, 1956 and Central Government Approval] (referred to as "Resolution No. 2" in the following table); and

- 3) Approval to the amendment/modification in the extant "Almondz Global Securities Employees Stock Option Scheme 2007" [Special Resolution u/s 81(1A) of the Companies Act, 1956 read with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 'Almondz Global Securities Employee Stock Option Scheme 2007'] (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	12663094 (99.995%)	571 (0.005%)	12663665
Resolution No. 2	12663094 (99.995%)	571 (0.005%)	12663665
Resolution No. 3	12663194 (99.996%)	471 (0.004%)	12663665

* % 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 and 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

During the year under report, 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 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 :

- (a) The Company has a Remuneration Committee details of which have been given earlier in this Report.
- (b) The Chairman of the Remuneration Committee was present in the 15th Annual General Meeting held on 24 September 2009 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.

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 2009 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	30 July 2009
September 2009 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	31 October 2009
December 2009 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	30 January 2010
March 2010 (Annual)	Audited	Business Standard (English & Hindi / Vernacular)	29 May 2010

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(e)] :

- 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 2010

Time : 3.30 P.M.

Venue : PHD Chamber of Commerce & Industry,
PHD House, 4/2 Siri Institutional Area,
August Kranti Marg, New Delhi – 110016

ii) Financial Calendar :

Approval of Unaudited Quarterly Results for the period ended :

- June 30, 2009 — July 29, 2009
- September 30, 2009 — October 30, 2009
- December 31, 2009 — January 29, 2010

Approval of Audited Financial Results for Financial Year ended :

- March 31, 2010 — May 28, 2010

Year ending : March 31

Dividend Payment : The Final Dividend, if declared, shall be paid/credited on or after 28 September 2010.

iii) Record Date :

17 September 2010

iv) Book Closure Dates :

18 September 2010 – 28 September 2010 for the 16th Annual General Meeting (both days inclusive)

v) Date of Dividend Payment :

The payment of dividend, upon declaration by the shareholders in the forthcoming Annual General Meeting, will be made on or after 28 September 2010 :

- to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end-of-the-day on Friday, 17 September 2010; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the closing hours on Friday, 17 September 2010.

Payment of Dividend :

Dividend will be paid by account payee/non-negotiable instruments or through the electronic clearing service (ECS), as the case may be, as notified by SEBI through the stock exchanges.

For additional details or clarifications, the shareholders are welcome to contact the Registered Office of the Company.

vi) Listing on Stock Exchanges :

- Bombay Stock Exchange Limited, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
- National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

During the year under Report, the equity shares of the Company were voluntarily delisted from Delhi Stock Exchange Limited w.e.f. 09.09.2009.

vii) 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 2010-11.

viii) ISIN No. of the Company’s Equity Shares :

INE-326B01027 as allotted by NSDL & CDSL

ix) Depositories Connectivity :

- National Securities Depository Limited (NSDL)
- Central Depository Service (India) Limited (CDSL)

Annual Custodial Fees have been duly paid to both the Depositories for the Financial Year 2010-11.

x) Corporate Identification Number :

L74899DL1994PLC059839

xi) Market Price Data :

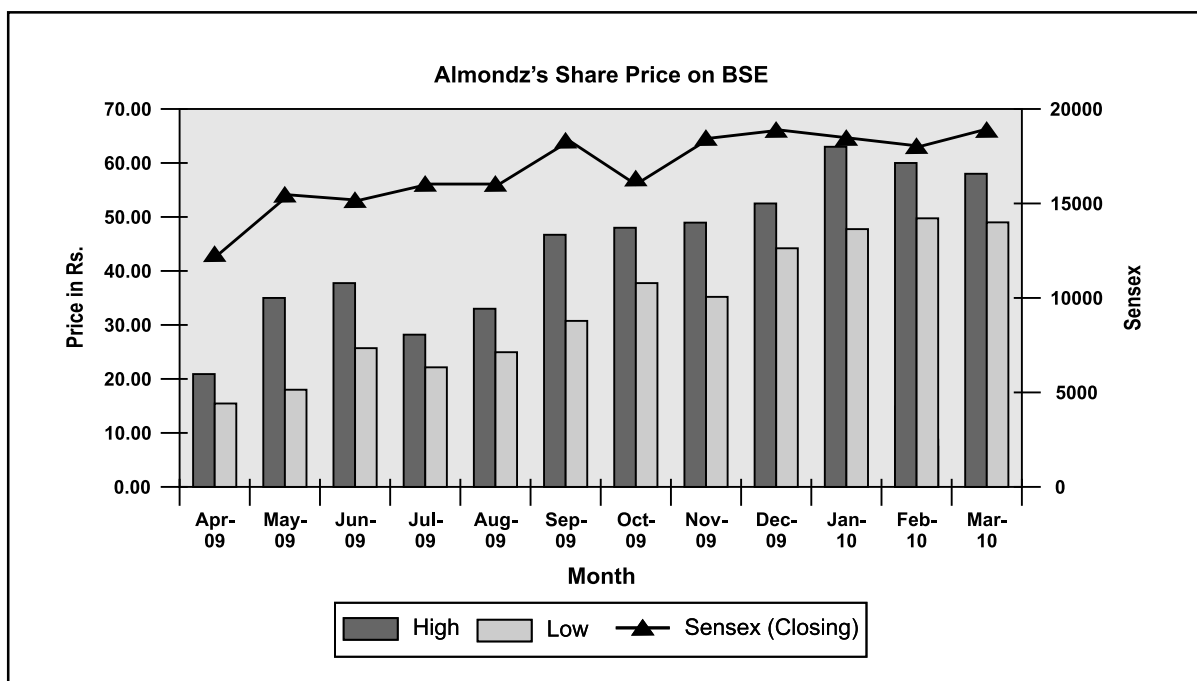
(A) High, Low and number and volume of trades of Company's equity shares vis-a-vis Sensex during each month in the financial year 2009-10 at the Bombay Stock Exchange Limited :

Bombay Stock Exchange Ltd. (BSE)

Month & Year	Month's High	Month's Low	Volume of Trades	Sensex (Closing)
April 09	20.90	15.45	84907	11403.25
May 09	35.00	18.00	337140	14625.25
June 09	37.75	25.70	185282	14493.84
July 09	28.20	22.15	36465	15670.31
August 09	33.00	24.95	485004	15666.64
September 09	46.70	30.75	812729	17126.84
October 09	48.00	37.75	417897	15896.28
November 09	48.95	35.20	444273	16926.22
December 09	52.50	44.20	669182	17464.81
January 10	63.00	47.75	931410	16357.96
February 10	60.00	49.75	153175	16429.55
March 10	58.00	49.00	995137	17527.77

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

Source: www.bseindia.com



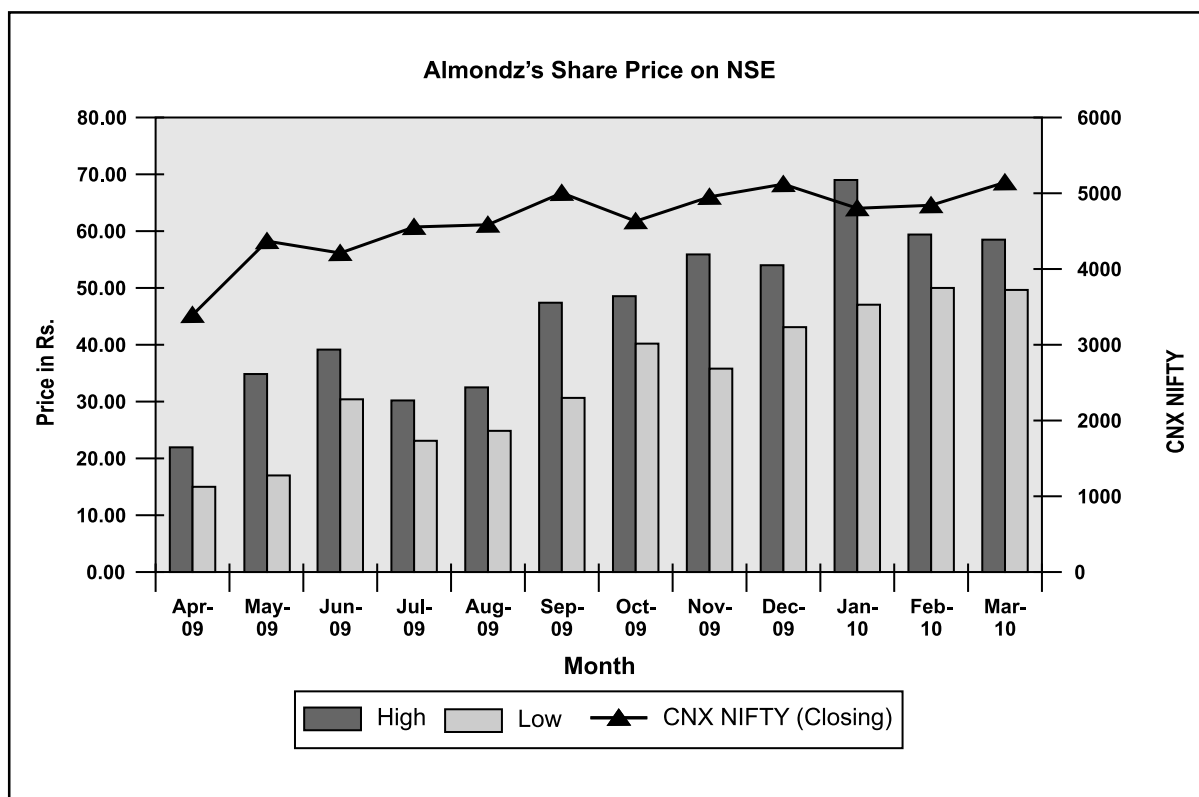
- (B) High, Low and number and volume of trades of Company's equity shares vis-a-vis CNX NIFTY during each month in the financial year 2009-10 at the National Stock Exchange of India Limited :

National Stock Exchange of India Ltd. (NSE)

Month & Year	Month's High	Month's Low	Volume of Trades	CNX NIFTY (Closing)
April 09	21.95	15.00	26647	3473.95
May 09	34.85	17.00	175912	4448.95
June 09	39.15	30.40	77477	4291.10
July 09	30.20	23.10	7182	4636.45
August 09	32.50	24.85	83857	4662.10
September 09	47.40	30.65	292980	5083.95
October 09	48.55	40.20	94762	4711.70
November 09	55.90	35.80	386315	5032.70
December 09	54.00	43.10	399481	5201.05
January 10	69.00	47.05	322459	4882.05
February 10	59.40	50.00	97767	4922.30
March 10	58.50	49.65	267103	5249.10

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

Source: www.nseindia.com



xii) Secretarial Audit for Reconciliation of Capital :

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial 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 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, and to Delhi Stock Exchange Ltd. (till delisted). 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.

xiii) 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
Website : www.beetalfinancial.com

xiv) 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 - 110001

xv) Share Transfer System :

As on 31 March 2010, 97.51% 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 10-15 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.

xvi) Investors Grievance Redressal System :

Investors' queries/grievances are normally attended within a period of 7-10 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

xvii) Bank Details for Physical Shareholdings :

In order to provide protection against fraudulent encashment of dividend warrants, members are requested to provide, if not provided earlier, their bank account numbers, bank account type, names and addresses of bank branches, quoting folio numbers, to the Registrar and Share Transfer Agents of the Company to enable them to incorporate the same on their dividend warrants. This is a mandatory requirement in terms of Securities and Exchange Board of India (SEBI) circular No. No. D&CC/FITTC/CIR-04/2001 dated November 13, 2001.

xviii) Bank details for electronic shareholdings :

While opening Accounts with depository participants (DPs), members may have given their bank accounts details, which will be used by the Company for printing on dividend warrants for remittance of dividend. SEBI, vide its circular No. DCC/FITTCIR-3/2001 dated October 15, 2001, has advised that all companies should mandatorily use electronic clearing service (ECS) facility, wherever available. SEBI has also, vide its circular dated November 13, 2001 referred to above, advised companies to mandatorily print the bank account details furnished by the depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the monies in the account specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the depository account, may notify their Depository Participant/s (DP/s) about any change in bank account details. Members are requested to furnish complete details of their bank accounts including MICR codes of their banks to their DPs.

xix) 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 the RTA of the Company.

xx) Status of dematerialization of shares as on March 31, 2010 :

	Electronic holdings (NSDL/CDSL)	Physical holdings	Total
No. of equity shares	24692357	629410	25321767
Percentage	97.51	2.49	100.00

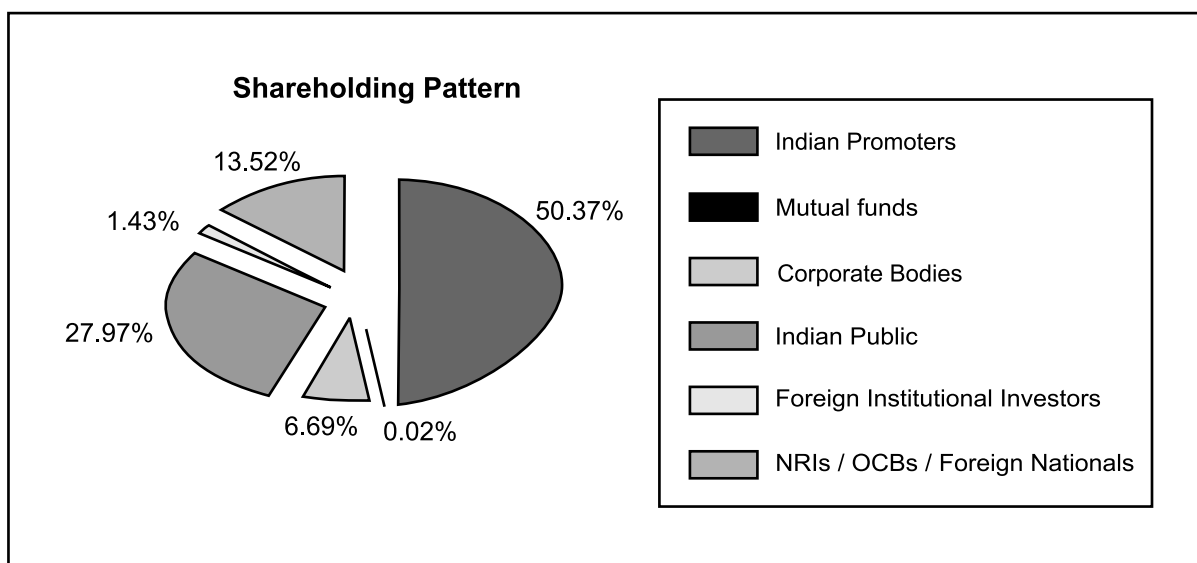
xxi) Shareholding as on March 31, 2010 :
A. Distribution of shareholding as on March 31, 2010 :

Shareholding of Nominal Value of Rupees	No. of Shareholders	%age of Shareholders	Total No. of Shares	%age of Shareholding
1 to 5000	4781	88.11	743112	2.94
5001 to 10000	298	5.49	331487	1.31
10001 to 20000	148	2.73	350197	1.38
20001 to 30000	48	0.88	208045	0.82
30001 to 40000	19	0.35	108990	0.43
40001 to 50000	11	0.21	83598	0.33
50001 to 100000	45	0.83	546239	2.16
100001 and above	76	1.40	22950099	90.63
Total	5426	100.00	25321767	100.00

B. Categories of shareholders (as per Clause 35 of Listing Agreement) as on March 31, 2010 :

Category	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Promoters & Promoter Group	3	0.05	12754014	50.37
Mutual Funds	2	0.04	4500	0.02
Corporate Bodies	213	3.93	1694704	6.69
Indian Public & Others	5162	95.13	7084009	27.97
Foreign Institutional Investors	1	0.02	361457	1.43
NRIs/OCBs/Foreign Nationals	45	0.83	3423083	13.52
Total	5426	100.00	25321767	100.00

* During Financial Year 2009-10, 9650000 equity shares, held by one of the Promoters namely Almondz Capital & Management Services Ltd., were pledged/encumbered.



xxii) Description of Voting Rights :

All shares issued by the Company carry equal voting rights.

xxiii) 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, 2010 :

Name of Shareholder	No. of shares held	%age shareholding
Almondz Capital & Management Services Ltd.	12653314	49.97
Al Anwar Holdings SAOG	3091500	12.21
Dilip Kumar Lakhi	1204810	4.76
Anant Lalchand Sanghvi	417374	1.65
Taib Securities Mauritius Ltd.	361457	1.43
B. L. Mahajan	286363	1.13
Jagdeep Singh	285200	1.13
Religare Finvest Ltd.	268911	1.06
Manish Lakhi	263157	1.04
Total	18832086	74.37

xxiv) Equity History of the Company :

The Equity history of the Company up to March 31, 2010 :

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

xxv) Due dates of Transfer of Unclaimed Dividend :

Financial Year	Type of Dividend	Date of Declaration	Amount outstanding as on March 31, 2010 (in Rs.)	Due Dates for Transfer
2004-05	Final	28 September 2005	568356/-	30 October 2012
2005-06		30 September 2006	592350/-	30 October 2013
2006-07		18 September 2007	450365/-	21 October 2014
2007-08		24 September 2008	170132/-	28 October 2015
2008-09		24 September 2009	123317/-	28 October 2016

xxvi) Non-compliance on matters relating to Regulators :

There has been no instance of non-compliance relating to various Regulators for the last three years.

xxvii) Financial Results on Company's Website :

The quarterly and annual results of the Company are displayed on its website 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 97.51% of the Company's share capital are dematerialised as on March 31, 2010.

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.

xxviii) Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity, as on 31 March 2010 :

No. of Warrants / Convertible instruments	To be Converted Latest By	Impact on Equity after Conversion
4510000 Warrants	11 September 2011	The paid-up share capital would be Rs. 178990602/- consisting of 29831767 equity shares of Rs. 6/- each
3505000 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. 200020602/- consisting of 33336767 equity shares of Rs. 6/- each

xxix) 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
Website : www.almondzglobal.com

xxx) 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 /
mahender.gupta@almondz.com

xxxii) Investors' correspondence may be addressed to :

Mr. Rajiv L. Jha
Vice President & 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 : rajiv.jha@almondz.com

CERTIFICATE FROM AUDITORS REGARDING 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 2010, 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 **B S R & Co.**
Chartered Accountants
Firm's Registration No. 101248W

Jiten Chopra
Partner
Membership No. 092894

Place : Gurgaon
Date : August 13, 2010

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, 2010, 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, 2010.

New Delhi
August 13, 2010

VINAY MEHTA
Managing Director

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 for the financial year 2009-10 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 give 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 Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board of Directors.
The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. We indicate to the Auditors and to the Audit Committee :
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year;
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 2009-10

New Delhi
August 13, 2010

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 2010, the Profit and Loss Account 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, 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rules, 1957 have been kept by the Company in so far as it appears from the examination of such books;
- (v) in our opinion, the Balance Sheet, Profit and Loss Account 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 Companies Act, 1956;
- (vi) 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 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vii) *The remuneration paid by the Company to its directors during the year ended 31 March 2008 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 64.22 lakhs. Payment of*

remuneration in excess of limits specified in section 309 required prior approval of the Central Government. The audit report on the financial statements for the year ended 31 March 2008 and 31 March 2009 were qualified to this effect. The Company has made an application to the Central Government for waiver of recovery of remuneration paid in excess of limits specified in section 309 for the year ended 31 March 2008. As explained to us, pending response from the Central Government the final outcome of the matter cannot presently be determined; and

- (viii) *Subject to our observations in paragraph (vii) above the effect of which is not ascertainable, 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 the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :*
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
 - (b) in the case of the Profit and Loss Account, of the profit 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;
- (ix) The Company has complied with the requirements of Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') in so far as they relate to maintenance of accounts and to the best of our knowledge and belief, was regular in submitting the required accounting information to the respective stock exchanges; and
- (x) The Company has complied with the requirements of the derivatives segment of the BSE and the NSE in so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the derivatives segment of the exchange.

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

Place : Gurgaon
Date : 28 May 2010

Jiten Chopra
Partner
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 a physical verification of stock-in-trade by actual inspection or on the basis of statement received from depository participants in respect of shares held as stock-in-trade at reasonable intervals.
- (b) The procedures for the physical 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. No discrepancies have been noticed on physical verification of stock.
3. (a) The Company has given an unsecured loan to Almondz Finanz Limited (a subsidiary of the company) which is a company listed in the register maintained under section 301 of the Companies Act, 1956; for the purpose of furthering the interests of the Company and has been duly approved by the Board of Directors of the Company. The maximum amount outstanding during the year was Rs. 512,000,000 and the year-end balance of loan was Rs. 95,056,883. 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 Companies Act, 1956.
- (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 respect of loan granted to a Company as mentioned in 3(a) above, there are no stipulations regarding repayment of the loan and interest thereon. Hence, we are unable to comment on the regularity and payment of principal and the over due amount.
- (d) The Company has taken loans from Almondz Commodities Private Limited (a subsidiary of the company) covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.3,800,000 and the year-end balance of such loans was Rs. Nil. During the year, the Company has not taken any loan from any other party or firm covered in the register maintained under section 301 of the Companies Act, 1956.
- (e) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (f) In the case of loans taken from a Company listed in the register maintained under section 301, the Company has been regular in repaying the principal amounts as stipulated and in the payment of interest.
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 inventory 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 Companies Act, 1956 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 lakh 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 Companies Act, 1956 for any of the services rendered 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 2010 was due to be deposited in Investor Education and protection fund during the year ended 31 March 2010.

There are no dues on account of Cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

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 2010 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. Further, according to information and explanations given to us, the Company does not have any Sales tax, Wealth tax or Cess which have not been deposited with the appropriate authorities on account of any dispute.

Name of the statute	Nature of dues	Amount	Assessment year to which amount relates	Forum where dispute is pending
The Finance Act, 2000	Service tax	3,221,550	2006 - 2007	Additional Commissioner, Service tax
The Income - tax Act, 1961	Income tax	4,054,709	2006 - 2007	CIT- (Appeals)
The Income - tax Act, 1961	Income tax	2,723,937	2007 - 2008	CIT- (Appeals)

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 therein except for investments in equity shares of other companies amounting to Rs. 350,000 which are not held in the name of the Company and investments in equity shares amounting to Rs. 50,000 which are not physically available / misplaced. The carrying value of these shares has been fully provided for in the books of account.
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. The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under section 301 of the Companies Act, 1956.
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

Jiten Chopra
Partner
Membership No. 092894

Place : Gurgaon
Date : 28 May 2010

Balance Sheet as at 31 March 2010

(All amounts in Indian rupees)

	Schedule No.	As at 31 March 2010	As at 31 March 2009
Sources of Funds			
Shareholders' funds			
Share capital	1	151,930,602	151,930,602
Reserves and surplus	2	857,433,474	753,580,844
Advance against share warrants	18(2)	64,560,650	8,538,250
Loan funds			
Secured loans	3	229,739,369	28,017,143
Deferred tax liability (net)	18(11)	—	3,050,508
		<u>1,303,664,095</u>	<u>945,117,347</u>
Application of Funds			
Fixed assets			
	4		
Gross block		170,932,633	176,231,191
Less : Accumulated depreciation and impairment		(57,109,219)	(41,175,438)
Net block		113,823,414	135,055,753
Capital work in progress (including capital advances)		933,725	31,003,585
		<u>114,757,139</u>	<u>166,059,338</u>
Deferred tax asset (net)	18(11)	1,678,849	—
Investments	5	75,965,118	51,330,566
Current assets, loans and advances			
Stock in trade	6	621,220,980	250,185,856
Sundry debtors	7	116,079,133	98,152,750
Cash and bank balances	8	244,742,406	379,251,961
Loans and advances	9	344,007,921	150,749,659
Other current assets	10	7,579,714	11,421,831
		<u>1,333,630,154</u>	<u>889,762,057</u>
Less : Current liabilities and provisions	11		
Current liabilities		203,030,276	145,991,340
Provisions		19,336,889	16,043,274
		<u>222,367,165</u>	<u>162,034,614</u>
Net current assets		1,111,262,989	727,727,443
		<u>1,303,664,095</u>	<u>945,117,347</u>
Significant accounting policies and notes to the accounts	18		

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

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : Gurgaon
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Profit and Loss Account for the year ended 31 March 2010

(All amounts in Indian rupees)

	Schedule No.	Year ended 31 March 2010	Year ended 31 March 2009
Income			
Advisory and consultancy fees		169,489,739	75,371,880
Broking activities	12	279,727,699	258,705,081
Net results in trading of shares / securities	13	321,476,208	343,264,018
Other income	14	22,551,115	21,312,399
		793,244,761	698,653,378
Expenditure			
Professional charges		30,915,322	9,951,666
Brokerage and commission		153,513,496	139,686,265
Personnel expenses	15	230,444,386	237,908,210
Administrative and other expenses	16	162,024,793	146,833,857
Finance charges	17	16,261,629	25,224,788
Depreciation		18,978,312	19,671,272
Diminution in the value of investment		8,618,595	23,000
Fixed assets written off		1,963,130	—
Miscellaneous expenditure amortised		—	141,898
		622,719,663	579,440,956
Profit before prior period items and taxes		170,525,098	119,212,422
Prior period items			
Expenses	18(6)	1,222,007	17,826,117
Profit before tax		169,303,091	101,386,305
Tax expense :			
— Income-tax for earlier year / (credit)		3,059,742	(769,523)
— Income-tax for current year		63,169,405	37,350,801
— Fringe benefit tax for earlier year / (credit)		—	(47,734)
— Fringe benefit tax for current year		—	2,028,651
— Deferred tax charge / (credit)	18(11)	(4,729,357)	2,745,390
— Wealth tax		46,337	38,746
		61,546,127	41,346,331
Net profit for the year		107,756,964	60,039,974
Surplus brought forward from previous year		234,979,596	183,827,182
Surplus available for appropriation		342,736,560	243,867,156
Appropriations			
Proposed dividend		10,635,142	7,596,530
Corporate dividend tax		1,807,442	1,291,030
		12,442,584	8,887,560
Net surplus carried to balance sheet		330,293,976	234,979,596
Earnings per share (Face Value Rs. 6 each) (Refer to Note 12 of Schedule 18)			
— Basic		4.26	2.37
— Diluted		4.22	2.37

Significant accounting policies and notes to the accounts

18

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

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : Gurgaon
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Cash Flow Statement for the Year ended 31 March 2010

(All amounts in Indian rupees)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
A Cash flow from operating activities		
Profit before extraordinary, prior period items and taxes	170,525,098	119,212,422
Adjustments for :		
Depreciation	18,978,312	19,671,272
(Profit) / loss on sale of fixed assets	6,487,573	(1,573,812)
Fixed assets written off	1,963,130	—
Provision for employee benefits	1,882,124	4,069,312
Bad debts written off	5,454,548	6,074,145
Provision for doubtful debts	472,000	9,159,674
Debit balances written off	—	2,100,000
Miscellaneous expenditure written off	—	141,898
Excess provision for doubtful debts written back	(6,868,579)	—
Dividend received from other investments	(203,816)	(15,000)
Interest received	(13,669,180)	(13,449,744)
Accrued interest on securities held as stock	(1,366,453)	(573,002)
Diminution in the value of investment	8,618,595	23,000
Liabilities no longer required written back	(465,504)	(732,253)
Finance charges	16,261,629	25,224,788
	208,069,477	169,332,700
Less :		
Prior period expense / (income)	1,222,007	17,826,117
Operating profit before working capital changes	206,847,470	151,506,583
Adjusted for net changes in working capital :		
(Increase) / decrease in stock in trade	(371,035,124)	344,964,459
(Increase) / decrease in sundry debtors	(16,984,352)	48,686,509
(Increase) / decrease in loans and advances	(187,023,592)	16,104,145
Increase / (decrease) in current liabilities and provisions	55,413,426	42,019,463
Cash flow before extra ordinary items and tax	(312,782,172)	603,281,159
Taxes paid	(71,461,515)	(38,638,068)
Net cash generated from / (used in) operating activities (A)	(384,243,687)	564,643,091
B. Cash flow from investing activities		
Purchase of fixed assets	(15,990,890)	(41,067,580)
Proceeds from sale of capital work-in-progress	30,069,860	5,695,808
Proceeds from sale of fixed assets	9,794,214	5,610,739
Fixed deposits (with a maturity more than 90 days) placed	(279,091,371)	(287,757,420)
Fixed deposits (with a maturity more than 90 days) matured	133,308,215	174,782,769
Investments made	(33,253,147)	(15,500,000)
Dividend received	203,816	15,000
Accrued interest on securities held as stock	1,366,453	573,002
Interest received	16,410,139	9,872,820
Net cash from / (used in) investing activities (B)	(137,182,711)	(147,774,862)
C. Cash flow from financing activities		
Proceeds from issue of option warrants	64,560,650	—
Proceeds from secured long term borrowings	2,433,554	8,782,659
Repayment of secured long term borrowings	(18,132,581)	(6,573,696)
Net increase / (decrease) in cash credit facilities	217,421,253	(407,966,751)
Dividend paid and corporate dividend tax	(8,887,560)	(8,887,560)
Finance charges	(16,261,629)	(25,224,788)
Net cash from / (used in) financing activities (C)	241,133,687	(439,870,136)
Net cash inflows during the year (A+B+C)	(280,292,711)	(23,001,907)
Cash and cash equivalents (opening balance)	379,251,961	289,279,217
Cash and cash equivalents (closing balance)	98,959,250	266,277,310
	(145,783,156)	(112,974,651)

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 cash equivalents represent cash, balances with banks in current account (Refer to schedule 8 of the financial statements).
- Cash and bank balances includes Rs. 5,240,000 (Previous year Rs. Nil) earmarked for settlement of certain liabilities and Rs. 110,543,156 (Previous year Rs. 84,934,381) pledged with stock exchanges.
- Cash and Cash equivalents include :**
Cash in hand 1,637,143 1,774,850
Balances with scheduled banks
—on current account **97,322,107** **264,502,460**
Cash and cash equivalents (closing balance)
Add: Fixed deposits (with a maturity more than 90 days) placed **98,959,250** **266,277,310**
145,783,156 **112,974,651**
Cash and bank balances at the end of the year **244,742,406** **379,251,961**

As per our report attached

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

Jiten Chopra
Partner
Membership No. : 092894

Place : Gurgaon
Date : 28th May, 2010

Rajiv Lochan Jha
Company Secretary

Place : New Delhi
Date : 28th May, 2010

Govind Prasad Agrawal
Chief Financial Officer

Place : New Delhi
Date : 28th May, 2010

Vinay Mehta
Managing Director

Place : New Delhi
Date : 28th May, 2010

Navjeet Singh Sobti
Executive Vice Chairman

Place : New Delhi
Date : 28th May, 2010

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 1 : Share Capital		
Authorised		
50,000,000 (Previous year 50,000,000) equity shares of Rs. 6 each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up		
25,321,767 (Previous year 25,321,767) equity shares of Rs. 6 each fully paid-up	<u>151,930,602</u>	<u>151,930,602</u>
(Out of the above, 12,653,314 (previous year 11,984,707) equity shares are held by ultimate holding company Almondz Capital and Management Services Limited)		
	<u>151,930,602</u>	<u>151,930,602</u>
Schedule 2 : Reserves and Surplus		
Securities premium	<u>380,881,250</u>	<u>380,881,250</u>
General reserve	<u>17,000,000</u>	<u>17,000,000</u>
Capital reserve		
Opening balance	<u>8,000,000</u>	<u>—</u>
Forfeiture of amount received against share warrants (Refer to note 2 of schedule 18)		
Closing balance	<u>8,538,250</u>	<u>8,000,000</u>
	<u>16,538,250</u>	<u>8,000,000</u>
Amalgamation reserve account	<u>112,719,998</u>	<u>112,719,998</u>
Profit and loss account		
Opening balance	<u>234,979,596</u>	<u>183,827,182</u>
Add : Profit during the year	<u>107,756,964</u>	<u>60,039,974</u>
Less : Appropriation on account of proposed dividend and corporate dividend tax	<u>(12,442,584)</u>	<u>(8,887,560)</u>
Closing balance	<u>330,293,976</u>	<u>234,979,596</u>
	<u>857,433,474</u>	<u>753,580,844</u>
Schedule 3 : Secured Loans		
Loans and advances from banks		
Working capital loan	<u>205,647,185</u>	<u>—</u>
(Secured by bonds in demat form issued by Central / State Government(s), bonds / debentures issued by public sector units or reputed corporates and government securities, on the approved list of the Bank. The loan has also been guaranteed by a director)		
Bank overdraft	<u>16,441,262</u>	<u>4,667,194</u>
(Secured by way of hypothecation of fixed deposit with lender bank)		
Term-loan		
— Secured against hypothecation of specific vehicles financed	<u>2,536,603</u>	<u>3,161,748</u>
— Secured by way of equitable mortgage of Company's specific properties at Kolkata, Bangalore, Coimbatore. The loan has also been guaranteed by a director	<u>2,313,526</u>	<u>4,172,902</u>
Other loans and advances		
Term-Loan		
— Secured against hypothecation of specific vehicles financed	<u>2,800,793</u>	<u>367,239</u>
— Secured by way of equitable mortgage of Company's specific property. The loan has also been guaranteed by a director	<u>—</u>	<u>15,648,060</u>
	<u>229,739,369</u>	<u>28,017,143</u>

Schedules forming part of the accounts

(All amounts in Indian rupees)

Schedule 4 : Fixed Assets

	Gross block				Depreciation				Net block	
	As at 1 April 2009	Additions	Sale / Adjust- ment	As at 31 March 2010	As at 1 April 2009	For the year	Adjust- ments	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
Tangible assets										
Official building	15,509,694	ó	5,972,466	9,537,228	500,305	155,457	ó	655,762	8,881,466	15,009,389
Lease hold improvements	4,767,118	ó	ó	4,767,118	2,063,575	953,424	ó	3,016,999	1,750,119	2,703,543
Furniture and fittings	58,827,569	2,390,803	2,133,076	59,085,296	12,333,263	6,079,090	429,061	17,983,292	41,102,004	46,494,306
Computers and peripherals	50,187,196	2,880,567	12,478,764	40,588,999	15,384,963	6,571,541	2,447,630	19,508,874	21,080,125	34,802,233
Office equipments	18,503,152	2,505,756	523,073	20,485,835	2,625,979	977,956	138,323	3,465,612	17,020,223	15,877,173
Vehicles	9,861,224	4,700,621	155,000	14,406,845	2,486,577	1,107,271	25,093	3,568,755	10,838,090	7,374,647
Total	157,655,953	12,477,747	21,262,379	148,871,321	35,394,662	15,844,739	3,040,107	48,199,294	100,672,027	122,261,291
Intangible assets										
Software	18,313,398	3,437,143	27,069	21,723,472	5,754,592	3,099,789	4,424	8,849,957	12,873,515	12,558,806
Painting and sculpture	261,840	76,000	ó	337,840	26,184	33,784	ó	59,968	277,872	235,656
Total	18,575,238	3,513,143	27,069	22,061,312	5,780,776	3,133,573	4,424	8,909,925	13,151,387	12,794,462
Grand total	176,231,191	15,990,890	21,289,448	170,932,633	41,175,438	18,978,312	3,044,531	57,109,219	113,823,414	135,055,753
Previous year	139,326,820	41,067,580	4,163,209	176,231,191	21,630,449	19,671,272	126,283	41,175,438	135,055,753	

Capital work in progress (including capital advances)

933,725 31,003,585

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 5 : Investments, long-term		
Investment in subsidiaries (unquoted, fully paid-up, at cost)		
Almondz Insurance Brokers Private Limited [918,000 (Previous year 438,000) equity shares of Rs.10 each]	18,633,147	4,380,000
Almondz Finanz Limited [5,000,000 (Previous year 2,100,000) equity shares of Rs.10 each]	50,000,000	21,000,000
Share application money for equity shares of Almondz Finanz Limited	—	15,000,000
Almondz Commodities Private Limited [1,490,000 (Previous year 990,000) equity shares of Rs. 10 each]	14,900,000	9,900,000
Almondz Retail Equity Limited [50,000 (Previous year 50,000) equity shares of Rs. 10 each]	500,000	500,000
	84,033,147	50,780,000
Less : Provision for diminution in the value of investments	8,618,595	—
	75,414,552	50,780,000
Other non-trade investments		
(I) Investment in shares		
a) Quoted (fully paid-up, at cost)		
Indo Korea Sports Limited [389,600 (Previous year 389,600) equity shares of Rs.10 each]	3,896,000	3,896,000
Ritesh Polyster Limited [34,600 (Previous year 34,600) equity shares of Rs.10 each]	523,860	523,860
Ecoplast India Limited [2,500 (Previous year 2,500) equity shares of Rs.10 each]	20,000	20,000
Vantech Industries Limited [3,000 (Previous year 3,000) equity shares of Rs.10 each]	30,000	30,000
	4,469,860	4,469,860
Less : Provision for diminution in the value of investments	4,469,860	4,469,860
	—	—
b) Unquoted (fully paid-up, at cost)		
Dijit Prognosys Private Limited [3,000 (Previous year 3,000) equity shares of Rs.100 each]	300,000	300,000
Less : Provision for diminution in the value of investments	300,000	300,000
	—	—
(c) Investment in mutual funds (Quoted)		
Principal Liquid Management Fund - Growth Fund 40,578.001 (Previous year 40,578.001) units of Rs.10 each	550,566	550,566
Total	75,965,118	51,330,566

Notes :		
1. Aggregate market value of quoted investment in shares	55,250	29,650
2. Aggregate book value of quoted investment in shares	4,469,860	4,469,860
3. Aggregate cost of unquoted investment in shares and mutual funds	84,883,713	36,630,566
4. Aggregate Net asset value of investment in units of mutual funds	721,883	695,101

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 6 : Stock-in-trade		
Equity shares - quoted (at cost or net realisable value, whichever is lower)	195,434,654	17,625,270
Corporate, Central Government and State Government bonds	425,786,326	232,560,586
	<u>621,220,980</u>	<u>250,185,856</u>
Schedule 7 : Sundry debtors		
Secured, considered good		
— less than six months	80,722,329	53,536,168
	<u>80,722,329</u>	<u>53,536,168</u>
Unsecured, considered good		
— more than six months	46,669	287,291
— other debts	35,310,135	44,329,291
	<u>35,356,804</u>	<u>44,616,582</u>
Unsecured, considered doubtful	2,890,016	12,692,887
Less : Provision for doubtful debts	2,890,016	12,692,887
	<u>—</u>	<u>—</u>
	<u>116,079,133</u>	<u>98,152,750</u>
Schedule 8 : Cash and bank balances		
Cash in hand	1,637,143	1,774,850
Balances with scheduled banks		
— on current account	97,322,107	264,502,460
— on deposit account	145,783,156	112,974,651
	<u>243,105,263</u>	<u>377,477,111</u>
— [Rs. 5,240,000 (Previous year Rs. Nil) earmarked for settlement of certain liabilities]		
— [Rs. 110,543,156 (Previous year Rs. 84,934,381) pledged with stock exchanges]		
	<u>244,742,406</u>	<u>379,251,961</u>
Schedule 9 : Loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received [Includes Rs. Nil (Previous year Rs. 4,899,573) recoverable from directors on account of managerial remuneration paid in excess of limits specified in section 309 of the Companies Act, 1956. Also refer to note 14 of Schedule 18]	52,046,180	41,767,375
Loans to body corporate and others (refer note 14 of schedule 18)	179,550,691	11,760,077
Inter corporate deposits	12,500,000	—
Security deposits	79,000,185	81,527,151
Prepaid expenses	7,343,119	4,976,236
Balance with service tax authorities	1,493,785	3,778,370
Advance income tax and tax deducted at source [Net of provision of Rs. 103,579,948 (Previous year Rs. 37,350,801)]	12,073,961	6,940,450
	<u>344,007,921</u>	<u>150,749,659</u>
Schedule 10 : Other current assets		
Interest accrued on bonds/ securities	5,597,487	6,698,646
Interest accrued on fixed deposits but not due	1,982,227	4,723,185
	<u>7,579,714</u>	<u>11,421,831</u>

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 11 : Current Liabilities and Provisions		
Current liabilities		
Sundry creditors		
Due to creditors other than micro and small enterprises (Refer to note 19 of schedule 18)	17,746,264	22,775,298
Book overdraft	11,704,462	4,400,948
Due to clients	115,736,990	78,106,749
	145,187,716	105,282,995
Advances and margin money from customers	252,000	—
Advance received against sale of property	—	2,700,000
Expenses payable [Including amount payable to employees Rs. 22,559,726 (Previous year Rs. 18,624,441)]	38,807,862	26,639,155
Security deposits received	2,491,600	340,000
Other liabilities [Including amount provident fund payable and employee state insurance payable of Rs. 182,642 (Previous year Rs. 175,527)]	14,386,578	9,222,817
Unpaid dividend*	1,904,520	1,806,373
	203,030,276	145,991,340
Provisions		
Provision for employee benefits	6,847,968	7,056,857
Fringe benefit tax [Net of advance tax Rs. Nil (Previous year Rs. 6,215,874)]	—	60,111
Provision for wealth tax	46,337	38,746
Proposed dividend [(including corporate dividend tax amounting to Rs. 1,807,442 (Previous year Rs. 1,291,030)]	12,442,584	8,887,560
	19,336,889	16,043,274
	222,367,165	162,034,614

Note

* The Investor Education and Protection Fund shall be credited as follows :

Dividend for the financial year	Declared on	Due by
2004 - 05	28 September 2005	28 September 2012
2005 - 06	30 September 2006	30 September 2013
2006 - 07	18 September 2007	18 September 2014
2007 - 08	24 September 2008	24 September 2015
2008 - 09	24 September 2009	24 September 2016

Schedule 12 : Broking activities

	Year ended 31 March 2010	Year ended 31 March 2009
Arranger fee	17,799,417	39,006,479
Commission and brokerage from distribution operations	136,939,001	131,728,123
Commission and brokerage from equity stock broking operations	112,393,569	72,507,204
Delayed payment charges	12,595,712	10,991,961
Arbitrage income	—	4,471,314
	279,727,699	258,705,081

Schedules forming part of the accounts

(All amounts in Indian rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 13 : Trading in shares and securities		
Trading of shares		
Opening stock of shares	17,625,270	363,370
Add : Cost of shares purchased	200,439,493	42,625,694
	218,064,763	42,989,064
Less : Closing stock of shares	195,434,654	17,625,270
Cost of shares sold	22,630,109	25,363,794
Less : Sale of shares	34,474,714	10,080,000
	11,844,605	(15,283,794)
Profit/(Loss) on derivatives	(5,503,781)	8,331,652
Trading of securities/bonds		
Opening stock of securities	232,560,586	594,232,746
Add : Cost of securities purchased	25,687,653,736	18,110,143,953
	25,920,214,322	18,704,376,699
Less : Closing stock of securities	425,786,326	232,560,586
Cost of securities sold	25,494,427,996	18,471,816,113
Less : Sale of securities	25,808,196,927	18,821,459,271
	313,768,931	349,643,158
Accrued interest on securities held as stock	1,366,453	573,002
	321,476,208	343,264,018
Schedule 14 : Other income		
Interest received		
— On deposits with banks	10,031,028	11,812,047
[gross of tax deducted at source Rs. 1,238,177 (Previous year Rs. 2,478,136)]		
— On deposits with others	3,638,152	1,637,697
[gross of tax deducted at source Rs. 416,977 (Previous year Rs. 337,326)]		
	13,669,180	13,449,744
Dividend received from other investments	203,816	15,000
Provision for doubtful debts written back	6,868,579	-
Advertisement income	493,210	2,642,352
Liabilities no longer required written back	465,504	732,253
Bad debts recovered	154,775	1,904,957
Miscellaneous income	696,051	994,281
Profit on sale of fixed assets (net)	—	1,573,812
	22,551,115	21,312,399
Schedule 15 : Personnel expenses		
Salaries, bonus and other allowances	222,736,083	222,355,769
Contribution to provident and other funds	1,066,420	1,630,318
Provision for employee benefits	1,882,124	4,232,339
[Including Rs. 1,497,648 towards provision for gratuity (Previous year Rs. 2,460,558)]		
Staff welfare	4,759,759	9,689,784
	230,444,386	237,908,210

Schedules forming part of the accounts

(All amounts in Indian rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 16 : Administrative and other expenses		
Traveling and conveyance	8,786,646	11,576,843
Communication	17,875,722	20,092,679
Rent	47,948,736	49,146,516
Rates and taxes	754,350	4,103,361
Electricity	8,875,851	9,223,303
Legal and professional charges	25,833,527	14,118,730
Printing and stationery	4,246,595	5,922,044
Business promotion	4,520,412	2,724,194
Advertisement	18,610,751	1,895,420
Computer maintenance	7,732,954	4,273,239
Office maintenance	4,766,513	2,893,568
Vehicle repair and maintenance	1,254,006	1,125,313
Charity and donations	661,811	451,205
Insurance	279,366	372,110
Bad debts written off	5,454,548	6,074,145
Provision for doubtful debts	472,000	9,159,674
Debit balances written off	—	2,100,000
Loss on error trades	167,712	1,973,503
Foreign exchange loss (net)	33,052	421,591
Fine and penalties	4,424	5,700
SEBI and stock exchange fee and charges	1,941,930	1,165,141
Loss on sale of assets (net)	6,487,573	—
Interest on late deposit of government dues	1,023,972	100,321
Other expenses	2,166,616	2,081,041
	169,899,067	150,999,641
Less : Recovery of expenses	(7,874,274)	(4,165,784)
	162,024,793	146,833,857
Schedule 17 : Finance charges		
Bank charges	4,970,878	2,836,204
Interest		
— on working capital loans from bank	8,950,995	20,108,900
— on term loans	911,619	2,279,684
— intercorporate loans	1,428,137	—
	16,261,629	25,224,788

Schedule 18 : Significant accounting policies and notes to the accounts :
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.

(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

- *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.
- *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.
- 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.
- Dividend income is recognised when the right to receive the income is established
- In the case of fixed income securities/ deposits, interest is recognised on a time proportionate basis.
- In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(iv) Interest expense

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

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

(vi) Retirements 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 Profit and Loss Account in the period in which the employee renders the related service.

(b) Provident fund (Defined contribution plan)

Provident fund is a defined contribution plans. The contribution towards provident fund which are being deposited with the Regional Provident Fund Commissioner and are charged to the Profit and loss account.

(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 gratuity trust invests the contribution in insurer managed scheme. Yearly contributions to the Gratuity Trust are charged to the Profit and Loss Account.

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 profit and loss account.

(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 recognized immediately in the profit and loss account.

(vii) Fixed assets

Fixed 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 capitalized. Advances paid towards acquisition of fixed assets and cost of assets not ready for use before the year end, are disclosed as capital work in progress.

(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 profit and loss account. 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) Depreciation and amortisation

- (a) Leasehold improvements are amortised over the lease period as stated in the lease agreement or over the estimated useful life, whichever is shorter.
- (b) Other assets are depreciated on straight-line method at 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) Intangible assets are recorded at cost and amortised over the period the Company expects to derive economic benefits from their use.

(x) Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term 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 profit and loss account; 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.

(xi) 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 Profit and Loss Account. 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 Profit and Loss Account.

(xii) Taxation

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.

(xiii) 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.

(xiv) Earnings per share

Basic earning 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.

(xv) **Operating leases**

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

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

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to wholetime 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. Since the exercise price of the Company's stock options are equal to fair market price on the aforesaid date, there is no compensation cost under the intrinsic value method.

2. Forfeiture of amount received against share warrants :

The Company had allotted 1,004,500 share warrants during the year ended 31 March 2008 at a price of Rs. 85 per share warrant. These shares 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. 8,538,250 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. 8,538,250 has been forfeited and transferred to Capital reserve.

During the year, the Company has made a fresh issue of 4,510,000 share warrants at a price of Rs.57.26 per share warrant. These share warrants are convertible at the option of the holder into equal number of equity shares within 18 months from the date of allotment. The Company has received an amount of Rs. 64,560,650 as advance against share warrants issued.

3. Contingent Liabilities :

		Amount (Rs.)	
	Particulars	As at 31 March 2010	As at 31 March 2009
1	Suit filed by clients on the Company for recovery on account of unauthorised trades on stock exchanges / deficiency in services. These matters are pending before various dispute resolution authorities.	135,845	1,676,464
2	Suits filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	296,544	—
3	Show cause notice for service tax demand in relation to the period from 10 September 2004 to 31 March 2006	—	1,896,182
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007.	—	1,964,904
5	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 and 31 March 2007	3,221,550	—
6	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company	500,000,000	—
7	Income-tax demand raised by assessing officer in respect of Financial year ended 31 March 2006.	5,379,709	5,379,709
8	Income Tax demand raised by assessing officer in respect of financial year ended 31 March 2007.	2,723,937	—

4. The estimated amount of contracts remaining to be executed on capital account and not provided for in these accounts amounting to Rs. Nil (Previous year. Rs. 8,368,080), net of capital advances of Rs. Nil (Previous year Rs. 12,328,505).

5. Shares held as investments amounting in aggregate of Rs. 350,000 (Previous year Rs. 400,000) at cost, carrying value Rs. Nil (Previous year Rs. Nil), are not held in the name of the Company / misplaced.

6. The details of prior period items are as follows :

Particulars	Amounts (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Expenses		
Brokerage and commission	20,869	2,117,334
Gratuity	—	5,873,914
Legal and professional charges	808	546,150
Professional charges	5,62,500	—
Communication expenses	3,61,283	—
Rent and property related costs (including straight lining of operating leases)	205,224	9,191,718
Others	71,323	97,001
Prior period expenses	1,222,007	17,826,117

7. 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 (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Opening defined benefit obligation	9,437,089	7,542,527
Interest cost	754,967	603,402
Current service cost	3,294,052	4,350,213
Actual return on plan assets	591,362	309,263
Benefits paid	(446)	(875,260)
Actuarial (gain) / loss on obligation	(1,960,009)	(2,183,794)
Closing defined benefit obligation	11,525,653	9,437,089

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

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Opening fair value of plan assets	7,376,032	2,706,803
Expected return	590,083	216,544
Contributions by employer	2,061,057	5,235,225
Benefits paid	(446)	(875,260)
Actuarial gain / (losses)	1,279	92,719
Closing fair value of plan assets	10,028,005	7,376,032

iii) Profit and Loss Account :

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Current service cost	3,294,052	4,350,213
Interest cost	754,967	603,402
Expected return on plan assets	(590,083)	(216,544)
Actuarial (gain)/loss	(1,961,288)	(2,276,512)
Net benefit expense	1,497,648	2,460,558
Actual return on plan assets	591,362	309,263

iv) Balance sheet :

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Defined benefit obligation	11,525,653	9,437,089
Fair value of plan assets	10,028,005	7,376,032
Plan (Liability)/ Asset	(1,497,648)	(2,061,057)

Note : Liability in respect of leave encashment at the end of the current year amounts to Rs. 5,350,320 (previous year Rs. 4,995,801).

V) Principal Actuarial Assumptions are as follows :

Particulars	Gratuity		Leave Incashment	
	Year ended 31 March 2010	Year ended 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2009
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.50%	8%	8.50%	7%
Expected rate of return on plan assets	8.50%	7%	—	—
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years	1%*	1%*	5%	5%
Above 30 years but up to 44 years	1%*	1%*	3%	3%
Above 44 years	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%

8. Managerial Remuneration

Particulars	Amount (Rs.)	
	Amount as at 31 March 2010	Amount as at 31 March 2009
Whole time directors and managing director :		
Salary and other allowances	16,897,200	13,084,000
Expenditure on rent free accommodation	3,600,000	3,600,000
Value of perquisites	993,521	1,987,365
Sub-total	21,490,721	18,671,365
Less : Amount transfer to loans and advances being the excess managerial remuneration paid to directors held in trust by directors for the Company.	—	4,899,573
Total	21,490,721	13,771,792

Note :

- The value of perquisites has been valued on actual payment basis.
- Provision for gratuity and leave encashment based on actuarial valuation done on an overall Company basis is excluded above.
- Managerial remuneration as above includes Two (Previous year : Two) Whole-time Directors and One Managing Director of the Company.
- Directors sitting fees paid during the year Rs. 365,000 (Previous year : Rs. 252,000).
- The remuneration paid by the Company to its executive directors during the year ended 31 March 2008 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 64.22 lakhs. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. The Company has made an application to the Central Government for waiver of recovery of remuneration paid in excess of limits specified in section 309 for the year ended 31 March 2008, the final outcome of the matter cannot presently be determined;
- The Company has received Central Government approval for excess remuneration paid to executive directors of the Company for the year ended 31 March 2009 during the current year. Resultantly the amount held in trust as at 31 March 2009 has been expensed off in the head salary and other allowances above.

9. Details of income and expenditure in foreign currency :

Income earned in foreign currency :		Amount (Rs.)	
S. No.	Particulars	Year ended 31 March 2010	Year ended 31 March 2009
1	Other income (Reimbursement of expenses from the client)	—	34,488
	Total	—	34,488

Expenditure incurred in foreign currency :		Amount (Rs.)	
S. No.	Particulars	Year ended 31 March 2010	Year ended 31 March 2009
1	Travelling expenses	166,689	163,051
2	Membership and subscription	47,129	—
3	Books and periodicals	5,285	6,888
4	Computer repair and maintenance	—	4,546
5	Business promotion	—	118,443
	Total	219,103	292,928

10. Remittance in foreign currency on account of dividends to non-resident shareholders :

Number of		Amount remitted for the previous year ended (Rs.)	
Shareholders	Equity shares	31 March 2009*	31 March 2008**
1	3,091,500	927,450	927,450

* Amount of dividend net of tax of Rs. 157,620 for the year ended 31 March 2009 remitted during the year ending 31 March 2010.

** Amount of dividend net of tax of Rs. 157,620 for the year ended 31 March 2008 remitted during the year ending 31 March 2009.

11. Deferred tax

Amount (Rs.)

	As at 31 March 2010		As at 31 March 2009	
Components	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference in the written down value of fixed assets as per the Companies act, 1956 and the Income tax act, 1961	—	11,463,517	—	14,187,106
Provision for doubtful debts	(982,316)	—	(4,314,312)	—
Provision for diminution in Investments	(4,448,766)	—	(1,519,305)	—
Provision for employee benefits	(2,327,624)	—	(2,398,626)	—
Others	(5,383,660)	—	(2,904,355)	—
Total	(13,142,366)	11,463,517	(11,136,598)	14,187,106
Net deferred tax liability (asset)		(1,678,849)		3,050,508

12. Earnings per share :

Earnings per share 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 2010	Year ended 31 March 2009
Net profit after tax available for equity shareholders (Rs.) (A)	107,756,964	60,039,974
Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation (Nos.) (B)	25,321,767	25,321,767
Weighted average number of Equity Shares for Basic EPS (Nos.) (C)	25,321,767	25,321,767
Add : Weighted average number of potential equity shares that could arise on conversion of option warrants having dilution effect (Nos.)	188,012	—
Weighted average number of Equity Shares for Diluted EPS (Nos.) (Face value of Rs.6 each) (D)	25,509,779	25,321,767
Basic EPS (Rs.) (A/C)	4.26	2.37
Diluted EPS (Rs.) (A/D)	4.22	2.37

13. Auditors' remuneration included in legal and professional expenses (excluding service tax)

Amount (Rs.)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009*
Statutory Auditors		
Audit fee	850,000	778,000
Limited review	900,000	5,70,000
Certification fee	118,003	33,500
Out of pocket expenses	137,841	29,482
Total	2,005,844	1,410,982

* Out of the previous year audit fee and limited review fee, Rs. 178,000 and Rs. 70,000 was paid to previous auditors.

14. Advances recoverable in cash or kind include

- (i) Dues from companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.

Amount (Rs.)

Particulars	As at 31 March 2010	Maximum balance outstanding during the year ended 31 March 2010
Almondz Insurance Brokers Private Limited*	—	301,972

Amount (Rs.)

Particulars	As at 31 March 2009	Maximum balance outstanding during the year ended 31 March 2009
Almondz Insurance Brokers Private Limited	158,158	201,300

* Almondz Insurance Brokers Private Limited was an associate till 22 January 2010.

- (ii) Amount due from subsidiaries

Amount (Rs.)

Particulars	As at 31 March 2010	Maximum balance outstanding during the year ended 31 March 2010
Almondz Finanz Limited	95,056,883	167,002,250
Almondz Insurance Brokers Private Limited*	54,421	266,066
Almondz Retail Equity Limited	—	30,435
Almondz Commodities Private Limited	—	1,314,061
Total	95,111,304	—

Amount (Rs.)

Particulars	As at 31 March 2009	Maximum balance outstanding during the year ended 31 March 2009
Almondz Finanz Limited	827,802	827,802
Almondz Commodities Private Limited	1,251,721	3,357,289
Almondz Retail Equity Limited	30,380	30,380
Total	2,109,903	—

* Almondz Insurance Brokers Private Limited became a subsidiary of the Company with effect from 23 January 2010.

15. Related Party Disclosure**A) Names of related parties and description of relationship :****(i) Subsidiaries :**

(Entities with which control relationship exists)

- Almondz Finanz Limited
- Almondz Commodities Private Limited
- Almondz Retail Equity Limited
- Almondz Insurance Brokers Private Limited (with effect from 23 January 2010)
- Almondz Re-insurance Brokers Private Limited (Subsidiary of M/s Almondz Insurance Brokers Private Limited)

(ii) Holding company :

- Almondz Capital and Management Services Limited (w.e.f. 23 January 2010)

(iii) Investing parties in respect of which the company is an associate :

- Almondz Capital and Management Services Limited (till 22 January 2010)

B) Transactions during the year and the balances outstanding as at the year end with the related parties :**Amount (Rs.)**

S. No.	Particulars	31 March 2010	31 March 2009
1)	Transactions during the year		
(A)	Income	1,441,683,434	85,248,989
a	Sale of Shares/Securities	1,431,726,690	82,294,560
	Holding company	50,170,068	—
	Almondz Capital and Management Services Limited	50,170,068	—
	Subsidiaries	1,381,556,622	82,294,560
	Almondz Finanz Limited	1,371,540,759	82,294,560
	Almondz Re-Insurance Brokers Private Limited	10,015,863	—
b	Interest received	3,554,589	—
	Holding company	417,535	—
	Almondz Capital and Management Services Limited	417,535	—
	Subsidiaries	3,137,054	—
	Almondz Finanz Limited	3,137,054	—
c	Dividend received	109,500	15,000
	Associates	109,500	15,000
	Almondz Insurance Brokers Private Limited	109,500	15,000
d	Recovery of reimbursable expenses	2,862,576	2,912,298
	Holding company	15,574	—
	Almondz Capital and Management Services Limited	15,574	—
	Investing parties in respect of which company is an associate	—	12,372
	Almondz Capital and Management Services Limited	—	12,372
	Subsidiaries	1,641,729	1,600,807
	Almondz Commodities Private Limited	1,326,802	1,600,807
	Almondz Finanz Limited	3,602	—

Amount (Rs.)

S. No.	Particulars	31 March 2010	31 March 2009
	Almondz Insurance Brokers Private Limited	311,325	—
	Associates	1,205,273	1,299,119
	Almondz Insurance Brokers Private Limited	1,205,273	1,299,119
e	Brokerage received on equity stock broking operations	3,103,982	24,929
	Holding company	3,059,934	—
	Almondz Capital and Management Services Limited	3,059,934	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	6,200	—
	Innovative Money Matters Private Limited	6,200	—
	Key Managerial Personnel	26,234	20,729
	Jagdeep Singh	18,902	11,851
	Vinay Mehta	7,332	8,878
	Relatives of Key Managerial Personnel	11,614	4,200
	Parmeet Kaur	9,432	3,999
	Others	2,182	201
f	Delay payment charges received on broking activities	315,576	2,202
	Holding company	305,795	—
	Almondz Capital and Management Services Limited	305,795	—
	Investing parties in respect of which company is an associate	—	2,202
	Almondz Capital and Management Services Limited	—	2,202
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	7,940	—
	Innovative Money Matters Private Limited	7,940	—
	Key Managerial Personnel	1,146	—
	Jagdeep Singh	1,146	—
	Relatives of Key Managerial Personnel	695	—
	Parmeet Kaur	683	—
	Others	12	—
g	Depository charges received on broking activities	10,521	—
	Holding company	6,427	—
	Almondz Capital and Management Services Limited	6,427	—
	Subsidiaries	2,219	—
	Almondz Commodities Private Limited	564	—
	Almondz Finanz Limited	552	—
	Almondz Re-insurance Brokers Private Limited	1,103	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1,103	—
	Innovative Money Matters Private Limited	1,103	—
	Key Managerial Personnel	337	—
	Jagdeep Singh	233	—
	Vinay Mehta	104	—
	Relatives of Key Managerial Personnel	435	—
	Parmeet Kaur	295	—

		Amount (Rs.)	
S. No.	Particulars	31 March 2010	31 March 2009
	Bulbuldhir Mehta	50	—
	Jagdeep Singh (HUF)	64	—
	Others	26	—
(B)	Expenditure	1,406,733,884	87,796,104
a	Purchase of Shares/Securities	1,374,459,525	59,848,779
	Subsidiaries	1,374,459,525	59,848,779
	Almondz Finanz Limited	1,374,459,525	59,848,779
b	Managerial Remuneration	21,457,721	18,671,365
	Key Managerial Personnel	21,457,721	18,671,365
	Navjeet Singh Sobti	9,724,909	8,798,948
	Jagdeep Singh	4,408,362	3,957,417
	Vinay Mehta	7,324,450	5,915,000
c	Rent	5,585,400	5,619,390
	Holding company	1,985,400	2,019,390
	Almondz Capital and Management Services Limited	1,985,400	2,019,390
	Relatives of Key Managerial Personnel	3,600,000	3,600,000
	Gurpreet N S Sobti	3,600,000	3,600,000
d	Dividend Paid	3,795,980	3,656,570
	Holding company	3,666,296	3,540,800
	Almondz Capital and Management Services Limited	3,666,296	3,540,800
	Associates	10,000	—
	Almondz Insurance Brokers Private Limited	10,000	—
	Key Managerial Personnel	100,770	100,770
	Navjeet Singh Sobti	15,210	15,210
	Jagdeep Singh	85,560	85,560
	Others	—	—
	Relatives of Key Managerial Personnel	18,914	15,000
	Gurpreet N S Sobti	15,000	15,000
	Bulbuldhir Mehta	3,914	—
e	Interest paid	1,428,137	—
	Subsidiaries	97,863	—
	Almondz Commodities Private Limited	97,863	—
	Holding company	1,330,274	—
	Almondz Capital and Management Services Limited	1,330,274	—
f	Communication Expenses	7,121	—
	Associates	7,121	—
	Almondz Insurance Brokers Private Limited	7,121	—
(C)	Assets/Liabilities	—	—
a	Investments made during the year	28,799,039	500,000
	Subsidiaries	19,000,000	500,000
	Almondz Finanz Limited (Net of share application money of Rs.15,000,000 converted to equity shares in the year ended 31 March 2010)	14,000,000	—

Amount (Rs.)

S. No.	Particulars	31 March 2010	31 March 2009
	Almondz Commodities Private Limited	5,000,000	—
	Almondz Retail Equity Limited	—	500,000
	Investment of Almondz Insurance Brokers Pvt. Ltd. purchased from following related parties during the year	9,799,039	—
	Holding company	7,571,983	—
	Almondz Capital and Management Services Limited	7,571,983	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	2,078,584	—
	Innovative Money Matters Private Limited	2,078,584	—
	Key Managerial Personnel	148,472	—
	Navjeet Singh Sobti	74,236	—
	Jagdeep Singh	74,236	—
b	Loans taken during the year	193,300,000	—
	Holding company	189,500,000	—
	Almondz Capital and Management Services Limited	189,500,000	—
	Subsidiaries	3,800,000	—
	Almondz Commodities Private Limited	3,800,000	—
c	Loans repaid during the year	193,300,000	—
	Holding company	189,500,000	—
	Almondz Capital and Management Services Limited	189,500,000	—
	Subsidiaries	3,800,000	—
	Almondz Commodities Private Limited	3,800,000	—
d	Loan given during the year	927,000,000	4,800,000
	Holding company	415,000,000	—
	Almondz Capital and Management Services Limited	415,000,000	—
	Subsidiaries	512,000,000	4,800,000
	Almondz Commodities Private Limited	—	4,800,000
	Almondz Finanz Limited	512,000,000	—
e	Loan recovered during the year	754,200,000	3,600,000
	Subsidiaries	419,200,000	3,600,000
	Almondz Commodities Private Limited	1,200,000	3,600,000
	Almondz Finanz Limited	418,000,000	—
	Holding company	335,000,000	—
	Almondz Capital and Management Services Limited	335,000,000	—
f	Share Application Money Paid	—	15,000,000
	Subsidiaries	—	15,000,000
	Almondz Finanz Limited	—	15,000,000
g	Advance received against Option Warrant	64,560,650	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	64,560,650	—
	Innovative Money Matters Private Limited	64,560,650	—
h	Advances	388,012	858,182
	Subsidiaries	388,012	858,182
	Almondz Finanz Limited	387,957	827,802

Amount (Rs.)			
S. No.	Particulars	31 March 2010	31 March 2009
	Others	55	30,380
2)	Closing balance as at 31 March 2010		
a	Investments	84,033,147	35,780,000
	Subsidiaries	84,033,147	31,400,000
	Almondz Finanz Limited	50,000,000	21,000,000
	Almondz Commodities Private Limited	14,900,000	9,900,000
	Almondz Retail Equity Limited	500,000	500,000
	Almondz Insurance Brokers Private Limited	18,633,147	—
	Associates	—	4,380,000
	Almondz Insurance Brokers Private Limited	—	4,380,000
b	Share Application Money Paid	—	15,000,000
	Subsidiaries	—	15,000,000
	Almondz Finanz Limited	—	15,000,000
c	Debtors / Receivables	56,178	209,922
	Subsidiaries	54,421	51,721
	Almondz Commodities Private Limited	—	51,721
	Almondz Insurance Brokers Private Limited	54,421	—
	Associates	—	158,158
	Almondz Insurance Brokers Private Limited	—	158,158
	Relatives of Key Managerial Personnel	1,757	43
	Jagdeep Singh (HUF)	—	43
	Parmeet Kaur	652	—
	Others	1,105	—
d	Creditors / Payables	1,656,785	88,168
	Holding company	1,369,507	—
	Almondz Capital and Management Services Limited	1,369,507	—
	Subsidiaries	448	—
	Almondz Finanz Ltd	448	—
	Key Managerial Personnel	273,453	78,551
	Jagdeep Singh	273,453	78,051
	Others	—	500
	Relatives of Key Managerial Personnel	13,377	9,617
	Jagdeep Singh (HUF)	10,093	—
	Parmeet Kaur	—	9,157
	Bulbul Dhir Mehta	2,784	—
	Others	500	460
e	Loan & Advances	175,391,075	2,058,182
	Holding company	80,334,192	—
	Almondz Capital and Management Services Limited	80,334,192	—
	Subsidiaries	95,056,883	2,058,182
	Almondz Commodities Private Limited	—	1,200,000
	Almondz Finanz Limited	95,056,883	827,802
	Others	—	30,380

Amount (Rs.)

S. No.	Particulars	31 March 2010	31 March 2009
f	Advance recoverable in cash or in kind (Amount held in trust)	—	4,899,573
	Key Managerial Personnel	—	4,899,573
	Navjeet Singh Sobti	—	4,598,948
	Jagdeep Singh	—	300,625
g	Employee stock options granted during the year (in numbers)	250,000	1,500,000
	Key Managerial Personnel	250,000	1,500,000
	Vinay Mehta	—	1,000,000
	Jagdeep Singh	250,000	500,000
h	Employee stock option outstanding (in numbers)	1,750,000	1,500,000
	Key Managerial Personnel	1,750,000	1,500,000
	Vinay Mehta	1,000,000	1,000,000
	Jagdeep Singh	750,000	500,000

16. Segment Reporting :

For the year ended 31 March 2010

Amount (Rs.)

Particulars	BUSINESS SEGMENTS					
	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Un-allocable	Total
Segment Revenue						
Segment Revenue	314,498,254	193,948,238	137,432,211	132,614,151	—	778,492,854
Segment Results						
Segment Results including other income but before un-allocable interest income, un-allocable interest expenses, taxes and prior period expense (net of income)	219,463,996	97,695,251	18,244,709	(88,742,531)	(75,188,875)	171,472,550
Add : Interest Income	—	—	2,459,424	266,297	3,637,461	6,363,182
Less : Interest Expenses	—	—	—	2,889,202	4,421,432	7,310,634
Less : Prior Period Expenses (net of income)	6,477	578,476	12,470	423,706	200,878	1,222,007
Profit before Tax	219,457,519	97,116,775	20,691,663	(91,789,142)	(76,173,724)	169,303,091
Less : Provision for Tax for the Year (including deferred tax and wealth tax)	—	—	—	—	58,486,385	58,486,385
Less : Prior Period Tax	—	—	—	—	3,059,742	3,059,742
Net Profit after tax	219,457,519	97,116,775	20,691,663	(91,789,142)	(137,719,851)	107,756,964
Other Information						
Segmental Assets	627,611,232	32,005,663	79,530,805	386,420,997	400,462,565	1,526,031,262
Segmental Liabilities	205,647,185	2,350,128	33,317,888	150,040,062	125,311,921	516,667,184
Capital expenditure	—	—	—	8,716,462	7,274,428	15,990,890
Depreciation	—	—	—	9,724,324	9,253,987	18,978,311
Non-cash expenditure other than depreciation (net of non-cash income)	—	5,146,858	132,500	110,694	19,022,144	24,412,466

For the year ended 31 March 2009

Amount (Rs.)

Particulars	BUSINESS SEGMENTS					
	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Un-allocable	Total
Segment Revenue						
Segment Revenue	354,202,914	107,910,777	134,370,475	92,045,418	—	688,529,584
Segment Results						
Segment Results including other income but before un-allocable interest income, un-allocable interest expenses, taxes and prior period expense (net of income)	249,349,356	27,719,602	(6,334,770)	(82,244,587)	(69,064,782)	119,424,819
Add : Interest Income	—	—	3,253,250	—	1,650,241	4,903,491
Less : Interest Expenses	—	—	—	—	5,115,888	5,115,888
Less : Prior period expenses (net of income)	—	—	2,089,834	677,556	15,058,728	17,826,118
Profit before Tax	249,349,356	27,719,602	(5,171,354)	(82,922,143)	(87,589,157)	101,386,304
Less : Provision for Tax for the year (including deferred tax and wealth tax)	—	—	—	—	42,163,588	42,163,588
Less : Prior Period Tax	—	—	—	—	(817,257)	(817,257)
Net Profit after tax	249,349,356	27,719,602	(5,171,354)	(82,922,143)	(128,935,489)	60,039,973
Other Information						
Segmental Assets	412,908,637	27,823,876	57,091,594	345,024,300	264,303,554	1,107,151,961
Segmental Liabilities	—	9,081,586	16,194,596	95,537,621	80,826,712	201,640,515
Capital expenditure	—	—	—	15,320,181	20,051,591	35,371,772
Depreciation	—	—	—	10,209,633	9,461,639	19,671,272
Non-cash expenditure other than depreciation (net of non-cash income)	—	12,536,058	2,798	2,796,495	5,500,425	20,835,776

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 activities** comprises Stock and Share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
- (II) The Board of Directors ('the Board') of the Company in their meeting held on 31 October 2008 had approved the sale, transfer or otherwise dispose off the Company's undertaking comprising its Debt portfolio management division ('DPM') as a going concern to Almondz Finanz Limited, a 100% subsidiary of the Company. The members of the Company had also approved, through a postal ballot, a special resolution to this effect, the results of which were declared on 9 December 2008. The Company has got required approvals from the concerned authorities; however the Board is yet to formulate a detailed, formal plan as defined in Para 16 of AS 24 to execute this decision taken by the Company. The DPM division is a separate segment identified by the Company, by the name "Debt and equity market operations", as part of its segment reporting.
- (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'.

17. Statement of quantitative details for closing stock of shares / securities held as stock in trade on the last day of the reporting year is as followed :

Particulars	(Quantity) Nos.	Cost of the Shares / Securities (as per FIFO) Method (in Rs.)	Market / Fair Value of the Shares / Securities (in Rs.)	Closing Stock as on 31 March 2010 (in Rs.)
1. Government Securities				
7.40% Government of India	1	9,900	10,255	9,900
8.23% Special Food Bonds 2027	2	17,626	19,970	17,626
Sub-total	3	27,526	30,225	27,526
2. Non Government Securities / Bonds				
8.90% Power Finance Corporation Limited 2025	7	7,004,900	6,987,400	6,987,400
9.65% Yes Bank Limited	200	199,600,000	185,860,000	185,860,000
9.65% Yes Bank Limited	20	19,951,280	18,586,000	18,586,000
9.65% Yes Bank Limited	45	44,890,380	41,818,500	41,818,500
8.80% Power Finance Corporation Limited 2025	1	1,000,000	989,700	989,700
9% Jammu & Kashmir Bank	4	3,980,000	4,022,000	3,980,000
9% Jammu & Kashmir Bank	13	12,935,000	13,071,500	12,935,000
9.55% IFCI Limited 2025	1	953,600	958,300	953,600
8.65% Steel Authority of India Limited	3	3,003,885	3,005,400	3,003,885
8.95% Power Finance Corporation Limited 2015	50	50,000,000	50,475,000	50,000,000
8.95% Power Finance Corporation Limited 2020	50	50,000,000	50,145,000	50,000,000
8.95% Power Finance Corporation Limited 2025	50	50,000,000	49,840,000	49,840,000
Sub Total	444	443,319,045	425,758,800	425,758,800
Total Value of Stock of Securities (A)	447	443,346,571	425,789,025	425,786,326
3. Quoted Shares				
Gujarat Ambuja Exports Limited	75	90	—	—
Jenson & Nicholson India Limited	2,000	13,280	11,400	11,400
Aftek Limited	9,808	90,974	162,813	90,974
Maytas Infra Limited	373,981	68,229,327	69,074,291	68,229,327
3I Infotech Limited	148,000	11,702,269	11,618,000	11,618,000
Amar Remedies Limited	500,000	30,973,295	30,325,000	30,325,000
Indiabulls Securities Limited	206,500	6,371,631	5,751,025	5,751,025
Network 18 Media & Investments Limited	1,000	98,029	112,450	98,029
Ramsarup Industries Limited	50,000	3,572,214	3,562,500	3,562,500
Terai Tea Company Limited	19,000	761,255	758,100	758,100
Uflex Limited	808,279	74,990,299	76,786,505	74,990,299
Sub Total	2,118,643	196,802,663	198,162,084	195,434,654
4. Unquoted Shares				
Asian Diet Products Limited	350,000	35,000	—	—
Sub Total	350,000	35,000	—	—
Total Value of Stock of Shares in trade (B)	2,468,643	196,837,663	198,162,084	195,434,654
Total (A+B)	2,469,090	640,184,234	623,951,109	621,220,980

	Particulars	(Quantity) Nos.	Cost of the Shares / Securities (as per FIFO Method) (in Rs.)	Market / Fair Value of the Shares / Securities (in Rs.)	Closing Stock as on 31 March 2009 (in Rs.)
1.	Government Securities				
	7.40% Government of India	1	9,900	10,290	9,900
	8.23% Special Food Bonds 2027	2	17,626	20,944	17,626
	Sub-total	3	27,526	31,234	27,526
2.	Non Government Securities / Bonds				
	8.80% State Bank of India 2021	5	5,025,500	5,010,000	5,025,500
	9.30% State Bank of Patila 2022	2	2,053,700	2,045,000	2,053,700
	11.45% Punjab Infrastructure Development Board 2024	189	191,097,900	193,819,500	191,097,900
	11.45% Punjab Infrastructure Development Board 2023	2	2,229,200	2,070,800	2,229,200
	9.35% Punjab National Bank	17	17,790,160	17,340,000	17,790,160
	10.25% State Bank of Travancore 2022	1	1,079,200	1,083,300	1,079,200
	9.08% State Bank of Mysore 2023	13	13,257,400	13,120,900	13,257,400
	Sub Total	229	232,533,060	234,489,500	232,533,060
	Total value of stock of securities (A)	232	232,560,586	234,520,734	232,560,586
3.	Quoted Shares				
	Gujarat Ambuja Exports Limited	75	90	—	—
	Jenson & Nicholson India Limited	2,000	13,280	6,760	6,760
	Hindalco Industries Limited	338,070	32,454,720	17,545,833	17,545,833
	Aftek Limited	9,808	90,974	72,677	72,677
	Sub Total	349,953	32,559,064	17,625,270	17,625,270
4.	Unquoted Shares				
	Asian Diet Products Limited	350,000	35,000	—	—
	Sub Total	350,000	35,000	—	—
	Total Value of Stock of Shares in trade (B)	699,953	32,594,064	17,625,270	17,625,270
	Total (A+B)	700,185	265,154,650	252,146,004	250,185,856

18. 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 :

(Rupees)

Particulars	Year ended	
	31 March 2010	31 March 2009
Lease payments for the year	47,948,736	49,146,516
Minimum Lease payments due-		
Not later than one year	39,820,464	29,206,692
Later than one year but not later than five years	109,927,846	70,775,923
Later than five years	46,655,470	23,790,428

19. 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 amounts payable to Micro and Small Enterprises as at 31 March 2010.

20. Previous year figures have been regrouped / reclassified, wherever necessary to conform to current year's classification.

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

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

(Rs. In Lacs)

Subsidiary	Almondz Finanz Limited
Financial period ended	March 31, 2010
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	5000000 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	40.40 (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	4.17 (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)

Subsidiary	Almondz Commodities Private Limited
Financial period ended	March 31, 2010
Holding Company's interest	99.33% in equity shares (Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	1490000 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	13.29 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	0.09 (Loss)
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	55.41 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	0.56 (Loss)

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

(Rs. In Lacs)

Subsidiary	Almondz Retail Equity Limited
Financial period ended	March 31, 2010
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	50000 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	0.12 (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	0.35 (Loss)
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)

Subsidiary	Almondz Insurance Brokers Private Limited*
Financial period ended	March 31, 2010
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	918000 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	0.46 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	0.45 (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	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)

Subsidiary	Almondz Re-insurance Brokers Private Limited*
Financial period ended	March 31, 2010
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	918000 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	8.04 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	7.73 (Loss)
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.

* 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,

Almondz Global Securities Limited

1. We have audited the attached consolidated Balance Sheet of Almondz Global Securities Limited group (the Company), as at 31 March 2010, and also the consolidated Profit and Loss account and the consolidated Cash Flow statement for the year ended on that date, 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.
2. 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.
3. We did not audit the financial statements of the subsidiaries whose financial statements for the year ended 31 March 2010 total assets of Rs. 393,923,884 as at 31 March 2010 and total revenues of Rs. 36,461,883 and net cash outflows amounting to Rs. 70,100,928 for the year ended on that date. These financial statements and other financial information considered in preparation and presentation of these consolidated financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and the associate, is based solely on the reports of the other auditors.
4. The remuneration paid by the Company to its directors during the year ended 31 March 2008 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 64.22 lakhs. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. The audit report on the financial statements for the year ended 31 March 2008 and 31 March 2009 were qualified to this effect. The Company has made an application to the Central Government for waiver of recovery of remuneration paid in excess of limits specified in section 309 for the year ended 31 March 2008. As explained to us, pending response from the Central Government, the final outcome of the matter cannot presently be determined.
5. The consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.

6. *Subject to our comments in paragraph 4 above, the effect of which is presently not ascertainable*, we report that 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 2010;
- (b) in the case of the consolidated Profit and Loss account, of the profit for the year ended on that date, and
- (c) in the case of the consolidated 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

Place : Gurgaon
Date : 28 May 2010

Jiten Chopra
Partner
Membership No. 092894

Consolidated Balance Sheet as at 31 March 2010

(All amounts in Indian rupees)

	Schedule No.	As at 31 March 2010	As at 31 March 2009
Sources of Funds			
Shareholders' funds			
Share capital	1	151,730,598	151,930,602
Reserves and surplus	2	858,908,574	751,033,430
Minority Interest		25,140,513	26,833
Advance against share warrant	18(3)	64,560,650	8,538,250
Loan funds			
Secured loans	3	466,987,858	28,017,143
Deferred tax liability (net)	18(13)	—	2,707,327
		1,567,328,193	942,253,585
Application of funds			
Fixed assets			
Gross block	4	179,405,230	177,647,731
Less: Accumulated depreciation and impairment		(59,808,052)	(41,483,663)
Net block		119,597,178	136,164,068
Capital work in progress (including capital advances)		933,725	31,003,585
		120,530,903	167,167,653
Deferred tax asset (net)	18(13)	2,573,798	—
Investments	5	16,868,530	8,972,065
Current assets, loans and advances			
Stock in trade	6	879,365,128	271,530,656
Sundry debtors	7	134,324,478	108,113,668
Cash and bank balances	8	352,315,656	394,502,862
Loans and advances	9	320,945,699	171,744,352
Other current assets	10	11,528,170	11,914,207
		1,698,479,131	957,805,745
Less: Current liabilities and provisions	11	248,649,615	175,243,997
Current liabilities		22,474,554	16,447,881
Provisions		271,124,169	191,691,878
Net current assets		1,427,354,962	766,113,867
		1,567,328,193	942,253,585
Significant accounting policies and notes to the accounts	18		

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

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : Gurgaon
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Consolidated Profit and Loss Account for the year ended 31 March 2010

(All amounts in Indian rupees)

Particulars	Schedule No.	Year ended 31 March 2010	Year ended 31 March 2009
Income			
Advisory and consultancy fees		169,541,114	75,371,880
Broking activities	12	300,719,496	267,489,248
Net results in trading of shares / securities	13	335,908,339	342,653,877
Other income	14	23,537,695	23,689,876
		829,706,644	709,204,881
Expenditure			
Professional charges		31,772,279	9,951,666
Brokerage and commission		161,300,421	141,018,222
Personnel expenses	15	245,958,754	243,898,176
Administrative and other expenses	16	170,730,766	153,504,523
Finance charges	17	25,731,381	25,347,614
Depreciation		19,319,584	19,892,037
Diminution in the value of investment		—	23,000
Fixed assets written off		2,144,937	—
Miscellaneous expenditure amortised		—	1,691,521
		656,958,122	595,326,759
Profit before extraordinary, prior period items and taxes		172,748,522	113,878,122
Prior period			
Income / (expenses) (net)	18(6)	(1,258,446)	(17,826,117)
Profit before tax		171,490,076	96,052,005
Tax expense :			
— Income-tax for earlier year / (credit)		3,059,742	(758,620)
— Income-tax for current year / (credit)		63,172,001	37,654,177
— Fringe benefit tax for earlier year / (credit)		—	(46,042)
— Fringe benefit tax for current year		—	2,047,946
— Deferred tax charge / (credit)	18(11)	(4,580,609)	2,290,838
— Wealth tax		46,337	38,746
		61,697,471	41,227,045
Net profit for the year		109,792,605	54,824,960
Less : Special reserve (under section 45-IC of the Reserve Bank of Indian Act,1934)		—	83,418
		109,792,605	54,741,542
Surplus brought forward from previous year		227,939,381	182,397,316
Surplus available for appropriation		337,731,986	237,138,858
Minority Interest		(778,325)	(55,967)
Share of profit / (losses) of associate		3,540,179	(367,884)
Appropriations			
Proposed dividend		10,635,142	7,596,530
Corporate dividend tax		1,807,442	1,291,030
		12,442,584	8,887,560
Net surplus carried to balance sheet		329,607,906	227,939,381
Earnings per share (Face value Rs.6 each) Refer to note 14 of schedule 18			
— Basic		4.34	2.16
— Diluted		4.31	2.16

Significant accounting policies and notes to the accounts

18

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

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : Gurgaon
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Consolidated Cash Flow Statement for the year ended 31 March 2010

(All amounts in Indian rupees)

Paticulars	Year ended 31 March 2010	Year ended 31 March 2009
A. Cash flow from operating activities		
Profit before extraordinary, prior period items and taxes	172,748,522	113,878,122
Adjustments for :		
Depreciation	19,834,009	19,892,037
(Profit) / loss on sale of fixed assets	6,487,573	(1,573,812)
Fixed assets written off	2,144,937	—
Provision for employee benefits	1,727,936	10,155,508
Bad debts written off	6,531,255	9,041,157
Provision for doubtful debts	472,000	11,939,084
Miscellaneous expenditure written off	—	1,691,521
Excess provision for doubtful debts written back	(7,131,170)	—
Dividend received from other investments	(133,864)	(15,000)
Interest received	(14,434,468)	(15,883,921)
Accrued interest on closing stock of securities	(2,219,090)	(573,002)
Diminution in the value of investment	—	23,000
Liabilities no longer required written back	(467,137)	(732,253)
Finance charges	25,731,381	25,347,614
	211,291,884	173,190,055
Less : Prior period expense / (income)	1,258,446	17,826,117
Operating profit before working capital changes	210,033,438	155,363,938
Adjusted for net changes in working capital :		
(Increase) / decrease in stock in trade	(607,834,472)	323,619,659
(Increase) / decrease in sundry debtors	(26,082,894)	36,866,549
(Increase) / decrease in loans and advances and other current assets	(128,818,629)	23,039,328
Increase / (decrease) in current liabilities and provisions	74,668,987	33,608,074
Cash flow before extra ordinary items and tax	(478,033,571)	572,497,548
Taxes paid	(84,903,473)	(39,259,335)
Net cash generated from / (used in) operating activities (A)	(562,937,044)	533,238,213
B. Cash flow from investing activities		
Purchase of fixed assets	(20,466,393)	(41,929,463)
Proceeds from sale of capital work-in-progress	30,069,860	5,695,808
Proceeds from sale of fixed assets	8,566,764	5,610,738
Fixed deposits (with a maturity more than 90 days) placed	(318,389,617)	(323,374,426)
Fixed deposits (with a maturity more than 90 days) matured	148,681,461	199,457,769
Investments made	(12,305,848)	—
Dividend received	133,864	15,000
Interest received	15,229,753	12,681,255
Net cash from / (used in) investing activities (B)	(148,480,156)	(141,843,318)
C. Cash flow from financing activities		
Proceeds from issue of option warrants	64,560,650	—
Proceeds from acquisition of minority interest	30,609,415	—
Proceeds from secured long term borrowings	2,433,554	8,782,659
Repayment of secured long term borrowings	(17,581,666)	(6,573,696)
Receipts / (Repayment) from / (of) working capital loan cash credit facilities	454,118,827	(407,966,751)
Dividend paid and corporate dividend tax	(8,887,560)	(8,887,560)
Finance charges	(25,731,381)	(25,347,614)
Net cash from / (used in) financing activities (C)	499,521,838	(439,992,962)
Net cash inflows during the year (A+B+C)	(211,895,362)	(48,598,067)
Cash and cash equivalents (opening balance)	394,502,862	319,184,272
Cash and cash equivalents (closing balance)	182,607,500	270,586,204

Notes

- The cash flow statement has been prepared as per the "Indirect method" in accordance with the Accounting Standard (AS)-3 on 'Cash Flow Statement', of the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents represent cash, balances with banks in current account (Refer to schedule 8 of the financial statements).
- Cash and bank balances include Rs.110,543,156 (previous year Rs.84,934,381) (pledged with stock exchanges), Rs.5,240,000 (previous year Rs. Nil) (earmarked for settlement of certain liabilities) and Rs. 30,000,000 (previous year Rs.28,040,270) (pledged against overdraft facility from banks).
- Cash and Cash equivalents include :**

Cash in hand	1,877,266	2,290,566
Balances with scheduled banks		
— on current account	180,730,234	268,295,639
Cash and cash equivalents (closing balance)	182,607,500	270,586,205
Add : Fixed deposits (with a maturity more than 90 days) placed	169,708,156	123,916,657
Cash and bank balances at the end of the year	352,315,656	394,502,862

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

Rajiv Lochan Jha
 Company Secretary

Govind Prasad Agrawal
 Chief Financial Officer

Vinay Mehta
 Managing Director

Navjeet Singh Sobti
 Executive Vice Chairman

Place : Gurgaon
 Date : 28th May, 2010

Place : New Delhi
 Date : 28th May, 2010

Place : New Delhi
 Date : 28th May, 2010

Place : New Delhi
 Date : 28th May, 2010

Place : New Delhi
 Date : 28th May, 2010

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 1 : Share Capital		
Authorised		
50,000,000 (Previous year 50,000,000) equity shares of Rs. 6 each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up		
25,288,433 (Previous year 25,321,767) equity shares of Rs.6 each fully paid up (Refer to note 20 of schedule 18)	<u>151,730,598</u>	<u>151,930,602</u>
	<u>151,730,598</u>	<u>151,930,602</u>
Schedule 2 : Reserves and surplus		
Securities premium	380,881,250	380,881,250
General reserve	17,000,000	17,000,000
Capital reserve		
Opening balance	8,000,000	—
Forfeiture of amount received against share warrants (Refer to note 3 of schedule 18)	8,538,250	8,000,000
Capital profit on acquisition of Almondz Insurance Brokers Private Limited	2,981,877	—
Share of profit / (losses) of associate (pre-acquisition)	—	4,409,383
Less : transfer from Almondz Global Securities Limited to Almondz Insurance Brokers Private Limited	<u>(1,013,625)</u>	<u>—</u>
Closing balance	18,506,502	12,409,383
Amalgamation reserve account	112,719,998	112,719,998
Profit and loss account		
Opening balance	227,939,381	182,397,316
Add : Profit after tax net of share in associate profit and minority interest	114,111,109	54,429,625
Less : Appropriation on account of proposed dividend and corporate dividend tax	<u>(12,442,584)</u>	<u>(8,887,560)</u>
Add : Dividend income received by AGSL from subsidiary	109,500	—
Closing balance	329,717,406	227,939,381
Special Reserve (under section 45-IC of the Reserve Bank of Indian Act,1934)	83,418	83,418
	<u>858,908,574</u>	<u>751,033,430</u>
Schedule 3 : Secured loans		
Loans and advances from banks		
Working capital loan (Secured by way of hypothecation of demat account with the Lender bank, holding securities of Central/State Government, PSUs and approved Corporate bonds and further secured by personal guarantee of one director)	442,344,759	—
Bank overdraft (Secured by way of hypothecation of fixed deposit with lender bank)	16,441,262	4,667,194
Term - loan*		
— Secured against hypothecation of specific vehicles financed	3,087,518	3,161,748
— Secured by way of equitable mortgage of Company's specific properties at Kolkata, Bangalore, Coimbatore. Further secured by personal guarantee of a director.	2,313,526	4,172,902
Other loans and advances		
Term - loan*		
— Secured against hypothecation of specific vehicles financed	2,800,793	367,239
— Secured by way of equitable mortgage of Company's specific property. Further, secured by personal guarantee of a director	—	15,648,060
* [Term loans repayable within one year Rs. 4,954,021 (Previous year Rs. 9,241,846)]		
	<u>466,987,858</u>	<u>28,017,143</u>

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

Schedule 4 : Fixed Assets

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2009	Almondz Insurance Brokers Private Limited*	Additions	Sale / transfer / Adjustment	As at 31 March 2010	As at 1 April 2009	Almondz Insurance Brokers Private Limited*	For the year	Adjust- ments	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
Tangible assets												
Official building	15,509,694	ó	ó	5,972,466	9,537,228	500,305	ó	155,457	ó	655,762	8,881,466	15,009,389
Lease hold improvements	4,767,118	ó	ó	ó	4,767,118	2,063,575	ó	953,424	ó	3,016,999	1,750,119	2,703,543
Furniture and fittings	58,851,193	1,554,666	2,431,616	2,357,936	60,479,539	12,350,244	362,455	6,174,210	625,113	18,261,796	42,217,743	46,500,949
Computers and peripherals	50,842,997	1,692,193	3,216,567	12,478,764	43,272,993	15,621,880	1,221,954	6,968,290	2,851,425	20,960,699	22,312,294	35,221,117
Office equipments	18,944,568	910,512	2,527,706	523,073	21,859,713	2,646,385	291,006	1,050,401	266,609	3,721,183	18,138,530	16,298,183
Vehicles	9,861,224	2,285,195	4,700,621	155,000	16,692,040	2,486,576	929,999	1,324,364	567,463	4,173,476	12,518,564	7,374,648
Total	158,776,794	6,442,566	12,876,510	21,487,239	156,608,631	35,668,965	2,805,414	16,626,146	4,310,610	50,789,915	105,818,716	123,107,829
Intangible assets												
Software	18,609,097	ó	3,876,731	27,069	22,458,759	5,788,514	ó	3,174,079	4,424	8,958,169	13,500,590	12,820,583
Painting and sculpture	261,840	ó	76,000	ó	337,840	26,184	ó	33,784	ó	59,968	277,872	235,656
Total	18,870,937	ó	3,952,731	27,069	22,796,599	5,814,698	ó	3,207,863	4,424	9,018,137	13,778,462	13,056,239
Grand total	177,647,731	6,442,566	16,829,241	21,514,308	179,405,230	41,483,663	2,805,414	19,834,009	4,315,034	59,808,052	119,597,178	136,164,068
Previous year	139,881,477	ó	41,929,463	4,163,209	177,647,731	21,717,909	ó	19,892,037	126,283	41,483,663	136,164,068	

Capital work in progress (including capital advances)

933,725 31,003,585

* Almondz Insurance Brokers Private Limited became a subsidiary with effect from 23 January 2010. Therefore the opening balances of gross block and depreciation of Almondz Insurance Brokers Private Limited have been shown in separate columns.

** Almondz Insurance Brokers was an Associate of the Company till 22 January 2010, resultantly depreciation till 22 January 2010 of Rs. 514,425 has been accounted through equity method of accounting under AS 23. Thus, depreciation of the Consolidated Profit & Loss Account has been reduced by the above amount.

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 5 : Investments, Long-Term		
Trade investment (unquoted, at cost)		
Almondz Insurance Brokers Private Limited		
[918,000 (Previous year 438,000) equity shares of Rs.10 each, fully paid up]	—	4,380,000
Add : Capital reserve arising on acquisition of equity shares of associates	—	4,409,383
Add : Accumulated income / (losses) from associates	—	(367,884)
Almondz Re-insurance Brokers Private Limited		
[99,000 equity shares of Rs.10 each, fully paid up]	1,227,600	—
	1,227,600	8,421,499
Other non-trade investments		
(I) Investment in shares		
a) Quoted (fully paid-up, at cost)		
Indo Korea Sports Limited		
[389,600 (Previous year 389,600) equity shares of Rs.10 each]	3,896,000	3,896,000
Ritesh Polyster Limited		
[34,600 (Previous year 34,600) equity shares of Rs.10 each]	523,860	523,860
Ecoplast India Limited		
[2,500 (Previous year 2,500) equity shares of Rs.10 each]	20,000	20,000
Vantech Industries Limited		
[3,000 (Previous year 3,000) equity shares of Rs.10 each]	30,000	30,000
IDFC Arbitrage plus fund		
[229,760.406 units of Rs.10 each, fully paid up]	2,500,000	—
Yes bank 09.65% 2020		
[10 bonds of Rs. 1,000,000 each, fully paid up]	9,999,000	—
Religare Arbitrage fund		
[253,034.83 units of Rs.10 each, fully paid up]	2,591,364	—
	19,560,224	4,469,860
Less : Diminution in the value of investments	4,469,860	4,469,860
	15,090,364	—
b) Unquoted (fully paid-up, at cost)		
Dijit Prognosys Private Limited		
[3,000 (Previous year 3,000) equity shares of Rs.100 each]	300,000	300,000
Less : Diminution in the value of investment	300,000	300,000
	—	—
Investment in mutual funds (Quoted)		
Principal Liquid Management Fund - Growth Fund	550,566	550,566
40,578.001 (Previous year 40,578.001) units of Rs.10 each		
Total	16,868,530	8,972,065

Notes :

1. Aggregate market value of quoted investment in shares	55,250	29,650
2. Aggregate book value of quoted investment in shares	4,469,860	4,469,860
3. Aggregate cost of unquoted investment in shares and mutual funds	2,078,166	9,272,065
4. Aggregate Net asset value of investment in units of mutual funds	721,883	695,101

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 6 : Stock-in-trade		
Equity shares - quoted (at cost or net realisable value, whichever is lower)	195,434,654	17,625,270
Corporate, Central government and State government bonds	683,930,474	253,905,386
	<u>879,365,128</u>	<u>271,530,656</u>
Schedule 7 : Sundry debtors		
Secured, considered good		
— less than six months	81,415,755	53,536,168
	<u>81,415,755</u>	<u>53,536,168</u>
Unsecured, considered good		
— more than six months	148,367	554,107
— other debts	52,760,356	54,023,393
	<u>52,908,723</u>	<u>54,577,500</u>
Unsecured, considered doubtful	5,656,835	15,472,297
Less : Provision for doubtful debts	5,656,835	15,472,297
	<u>—</u>	<u>—</u>
	<u>134,324,478</u>	<u>108,113,668</u>
Schedule 8 : Cash and bank balances		
Cash in hand	1,877,266	2,290,566
Balances with scheduled banks		
[Pledged against overdraft or security/guarantees issued by banks Rs.115,783,156 (Previous year Rs. 84,934,381)]		
— on current account	180,730,234	268,295,639
— on deposit account	169,708,156	123,916,657
	<u>350,438,390</u>	<u>392,212,296</u>
	<u>352,315,656</u>	<u>394,502,862</u>
Schedule 9 : Loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	52,240,509	39,936,367
Loans to body corporate and others (Refer to note 14 of schedule 18)	134,493,809	24,473,545
Inter corporate deposits	12,500,000	—
Security deposits	85,331,643	89,647,829
Prepaid expenses	8,514,068	6,667,685
Balance with service tax authorities	2,052,241	3,778,370
Advance income tax and tax deducted at source	25,813,429	7,240,556
[Net of provision of Rs. 103,885,920 (Previous year Rs. 37,654,177)]		
	<u>320,945,699</u>	<u>171,744,352</u>
Schedule 10 : Other current assets		
Interest accrued on bonds / securities	7,598,732	7,189,485
Interest accrued on fixed deposits but not due	3,929,438	4,724,722
	<u>11,528,170</u>	<u>11,914,207</u>

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2010	As at 31 March 2009
Schedule 11 : Current liabilities and provisions		
Current liabilities		
Sundry creditors	19,091,827	40,961,919
Due to creditors other than micro and small enterprises (Refer to note 19 of schedule 18)		
Book overdraft	11,950,116	4,400,948
Due to clients	147,836,323	78,106,749
	178,878,266	123,469,616
Advances and margin money from customers	2,955,274	9,547,647
Advance received against sale of property	—	2,700,000
Expenses payable (includes Rs.22,559,726 as payable to employees (Previous year Rs.19,047,530))	44,098,295	27,646,170
Security deposits received	3,744,514	640,000
Other Liabilities	17,068,746	9,434,191
Unpaid dividend *	1,904,520	1,806,373
	248,649,615	175,243,997
Provisions		
Provision for retirement benefits	9,985,633	7,461,464
Fringe benefit tax [Net of advance tax Rs.Nil (Previous year Rs. 6,255,731)]	—	60,111
Provision for wealth tax	46,337	38,746
Proposed dividend [(including corporate dividend tax amounting to Rs.1,807,442 (Previous year Rs. 1,291,030))]	12,442,584	8,887,560
	22,474,554	16,447,881
	271,124,169	191,691,878

Note

* The Investor Education and Protection Fund shall be credited as follows :

Dividend for the financial year	Declared on	Due by
2004 - 05	28 September 2005	28 September 2012
2005 - 06	30 September 2006	30 September 2013
2006 - 07	18 September 2007	18 September 2014
2007 - 08	24 September 2008	24 September 2015
2008 - 09	24 September 2009	24 September 2016

	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 12 : Broking activities		
Arranger fee	17,799,417	39,006,479
Commission and brokerage from distribution operations	136,939,001	131,728,123
Commission and brokerage from equity stock broking operations	112,393,569	72,507,204
Delayed payment charges	12,595,712	10,991,961
Arbitrage income	—	4,471,314
Brokerage on commodities broking operation	10,566,128	8,784,167
Brokerage on insurance and re-insurance	10,425,669	—
	300,719,496	267,489,248

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 13 : Trading in shares and securities		
Net Income on trading of shares / securities		
Trading of shares		
Opening stock of shares	17,625,270	363,370
Add : Cost of shares purchased	200,439,493	42,625,694
	218,064,763	42,989,064
Less : Closing stock of shares	195,434,654	17,625,270
Cost of shares sold	22,630,109	25,363,794
Less : Sale of shares	34,474,714	10,080,000
	11,844,605	(15,283,794)
Profit / (Loss) on derivatives	(5,503,781)	8,331,652
Trading of securities / bonds		
Opening stock of securities	253,905,386	594,232,746
Add : Cost of securities purchased	29,320,532,561	18,048,953,284
	29,574,437,947	18,643,186,030
Less : Closing stock of securities	683,930,474	253,905,386
Cost of securities sold	28,890,507,473	18,389,280,644
Less : Sale of securities	29,217,855,898	18,738,313,661
	327,348,425	349,033,017
Accrued interest on securities held as stock	2,219,090	573,002
	335,908,339	342,653,877
Schedule 14 : Other income		
Interest received	11,619,464	13,725,484
— On deposits with banks [gross of tax deducted at source Rs. 1,238,177 (Previous year Rs. 2,478,136)]		
— On deposits with others [gross of tax deducted at source Rs. 416,977 (Previous year Rs. 337,326)]	2,815,004	2,158,437
	14,434,468	15,883,921
Dividend received from other investments	133,864	15,000
Excess provision for doubtful debts written back	7,131,170	—
Advertisement income	493,210	2,642,352
Liabilities no longer required written back	467,137	732,253
Bad debts recovered	154,775	1,904,957
Profit on sale of fixed assets (net)	—	1,573,812
Miscellaneous income	723,071	937,581
	23,537,695	23,689,876
Schedule 15 : Personnel expenses		
Salaries, bonus and other allowances	238,284,004	227,998,258
Contribution to provident and other funds	1,105,620	1,630,318
Provision for gratuity	1,727,936	4,535,654
Staff welfare	4,841,194	9,733,946
	245,958,754	243,898,176

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 16 : Administrative and other expenses		
Travelling and conveyance	9,281,034	11,634,156
Communication	18,536,435	20,479,133
Rent	48,253,104	50,062,716
Rates and taxes	1,216,302	4,298,445
Electricity	8,908,303	9,460,060
Legal and professional charges	26,773,018	14,337,575
Printing and stationery	4,337,367	6,062,082
Business promotion	4,664,815	2,724,194
Advertisement	20,723,988	1,895,420
Computer maintenance	7,732,954	4,273,239
Office maintenance	4,772,238	2,946,448
Vehicle repair and maintenance	1,329,709	1,125,313
Charity and donations	661,811	451,205
Insurance	464,494	386,462
Bad debts written off	5,459,035	9,041,157
Provision for doubtful debts	472,000	11,939,084
Debit balances written off	—	—
Loss on error trades	172,611	1,973,503
Foreign exchange loss (net)	85,397	421,591
Fine and penalties	9,432	5,700
SEBI and stock exchange fee and charges	2,193,181	1,307,000
Loss on sale of assets (net)	6,487,573	—
Loss on assignment of debt	1,072,220	—
Interest on late deposit of government dues	1,023,972	100,321
Other expenses	2,556,762	2,745,503
	177,187,755	157,670,307
Less : Recovery of expenses	(6,456,989)	(4,165,784)
	170,730,766	153,504,523
Schedule 17 : Finance charges		
Bank charges	7,668,179	2,959,030
Interest		
— on working capital loan from bank	15,806,200	20,108,900
— on term loans	926,728	2,279,684
— intercorporate loans	1,330,274	—
	25,731,381	25,347,614

Schedule 18 : Significant accounting policies and notes to the accounts**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 :

S. No.	Name of the Subsidiary Company	Country of Incorporation	% of voting power held as at 31 March 2010
a)	Almondz Finanz Limited (AFL) (incorporated on 12 May 2006)	India	100%*
b)	Almondz Commodities Private Limited (ACPL) (incorporated on 17 August 2005)	India	99%*
c)	Almondz Retail Equity Limited (incorporated on 25 September 2008)	India	100%*
d)	Almondz Insurance Brokers Private Limited (incorporated on 27 March 2003)**	India	51%*
e)	Almondz Reinsurance Brokers Private Limited (a wholly owned subsidiary of Almondz Insurance Brokers Private Limited)	India	51% (indirect holding)
* including shares of beneficial interest through other persons.			
** Almondz Insurance Brokers Private Limited became a subsidiary of Almondz Global Securities Limited with effect from 23 January 2010			

- (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 unrealized 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 recognized 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 2010.

2. 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.

(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

- 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.

- *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.
- 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.
- Dividend income is recognised when the right to receive the income is established
- In the case of fixed income securities/ deposits, interest is recognised on a time proportionate basis.
- In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(iv) Interest expense

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

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

(vi) Retirements 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 Profit and Loss Account in the period in which the employee renders the related service.

(b) Provident fund (Defined contribution plan)

Provident fund is a defined contribution plans. The contribution towards provident fund which are being deposited with the Regional Provident Fund Commissioner and are charged to the Profit and loss account.

(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 gratuity trust invests the contribution in insurer managed scheme. Yearly contributions to the Gratuity Trust are charged to the Profit and Loss Account.

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 profit and loss account.

(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 recognized immediately in the profit and loss account.

(vii) Fixed assets

Fixed 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 capitalized. Advances paid towards acquisition of fixed assets and cost of assets not ready for use before the year end, are disclosed as capital work in progress.

(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 profit and loss account. 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) Depreciation and amortisation

- (a) Leasehold improvements are amortised over the lease period as stated in the lease agreement or over the estimated useful life, whichever is shorter.
- (b) Other assets are depreciated on straight-line method at 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) Intangible assets are recorded at cost and amortised over the period the Company expects to derive economic benefits from their use.

(x) Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term 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 profit and loss account; 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.

(xi) 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 Profit and Loss Account. 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 Profit and Loss Account.

(xii) Taxation

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.

(xiii) 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.

(xiv) Earnings per share

Basic earning 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.

(xv) Operating leases

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

(xvi) Employee Stock Option Scheme ("ESOS")

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to wholetime 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. Since the exercise price of the Company's

stock options are equal to fair market price on the aforesaid date, there is no compensation cost under the intrinsic value method.

3. Forfeiture of amount received against share warrants :

The Company had allotted 1,004,500 share warrants during the year ended 31 March 2008 at a price of Rs. 85 per share warrant. These shares 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. 8,538,250 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. 8,538,250 has been forfeited and transferred to Capital reserve.

During the year, the Company has made a fresh issue of 4,510,000 share warrants at a price of Rs. 57.26 per share warrant. These share warrants are convertible at the option of the holder into equal number of equity shares within 18 months from the date of allotment. The Company has received an amount of Rs. 64,560,650 as advance against share warrants issued.

4. Contingent Liabilities

		Amount (Rs.)	
	Particulars	As at 31 March 2010	As at 31 March 2009
1	Suit filed by clients on the Company for recovery on account of unauthorised trades on stock exchanges/deficiency in services. These matters are pending before various dispute resolution authorities.	135,845	1,676,464
2	Suits filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	296,544	—
3	Show cause notice for service tax demand in relation to the period from 10 September 2004 to 31 March 2006	—	1,896,182
4	Show cause notice for service tax demand in relation to the financial year end 31 March 2007.	—	1,964,904
5	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 and 31 March 2007	3,221,550	—
6	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company	500,000,000	—
7	Income-tax demand raised by assessing officer in respect of Financial year ended 31 March 2006.	5,379,709	5,379,709
8	Income Tax demand raised by assessing officer in respect of financial year ended 31 March 2007.	2,723,937	—

5. The estimated amount of contracts remaining to be executed on capital account and not provided for in these accounts amounting to Rs. Nil (Previous year Rs. 8,368,080), net of capital advances of Rs. Nil (Previous year Rs. 12,328,505).

6. Shares held as investments amounting in aggregate of Rs. 350,000 (Previous year Rs. 400,000) at cost, carrying value Rs. Nil (Previous year Rs. Nil), are not held in the name of the Company / misplaced.

7. The details of prior period items are as follows :

Particulars	Amounts (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Expenses		
Brokerage and commission	20,869	2,117,334
Gratuity	—	5,873,914
Legal and professional charges	808	546,150
Professional charges	562,500	—
Communication expenses	361,283	—
Rent and property related costs (including straight lining of operating leases)	205,224	9,191,718
Others	71,323	97,001
Prior period expenses	1,222,007	17,826,117

8. 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 (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Opening defined benefit obligation*	11,114,198	7,612,042
Interest cost	878,926	608,268
Current service cost	4,040,928	4,468,550
Actual return on plan assets	591,362	309,263
Benefits paid	(446)	(875,260)
Actuarial (gain) / loss on obligation	(3,008,665)	(2,129,731)
Closing defined benefit obligation	13,024,941	9,683,870

* 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 (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Opening fair value of plan assets	7,376,031	2,706,803
Expected return	590,083	216,544
Contributions by employer	2,307,838	5,235,225
Benefits paid	(446)	(875,260)
Actuarial gain / (losses)	1,279	92,719
Closing fair value of plan assets	10,274,785	7,376,031

iii) Profit and Loss Account :

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Current service cost	4,040,928	4,468,550
Interest cost	878,926	608,268
Expected return on plan assets	(590,083)	(216,544)
Actuarial (gain) / loss	(3,009,944)	(2,222,449)
Net benefit expense	1,319,827	2,637,824
Actual return on plan assets	591,362	309,263

iv) Balance sheet :

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Defined benefit obligation	13,024,941	9,683,870
Fair value of plan assets	10,274,785	7,376,032
Plan (Liability) / Asset	(2,750,156)	(2,307,838)

v) Principal Actuarial Assumptions are as follows :

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March 2010	Year ended 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2009
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.50%	8%	8.50%	7.00%
Expected rate of return on plan assets	8.50%	7%	—	—
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years	1%*	1%*	5%	5%
Above 30 years but up to 44 years	1%*	1%*	3%	3%
Above 44 years	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%

9. Managerial Remuneration

Amount (Rs.)

Particulars	31 March 2010	31 March 2009
Whole time directors and managing director :		
Salary and other allowances	16,897,200	13,084,000
Expenditure on rent free accommodation	3,600,000	3,600,000
Value of Perquisites	993,521	1,987,365
Sub-total	21,490,721	18,671,365
Less : Amount transfer to loans and advances being the excess managerial remuneration paid to directors held in trust by directors for the Company.	—	4,899,573
Total	21,490,721	13,771,792

Note :

- The value of perquisites has been valued on actual payment basis.
- Provision for gratuity and leave encashment based on actuarial valuation done on an overall Company basis is excluded above.
- Managerial remuneration as above includes Two (Previous year: Two) Whole-time Directors and One Managing Director of the Company.
- Directors sitting fees paid during the year Rs. 365,000 (Previous year : Rs. 252,000)
- The remuneration paid by the Company to its executive directors during the year ended 31 March 2008 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 64.22 lakhs. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. The Company has made an application to the Central Government for waiver of recovery of remuneration paid in excess of limits specified in section 309 for the year ended 31 March 2008, the final outcome of the matter cannot presently be determined;
- The Company has received Central Government approval for excess remuneration paid to executive directors of the Company for the year ended 31 March 2009 during the current year. Resultantly the amount held in trust as at 31 March 2009 has been expensed off in the head salary and other allowances above.

10. Calculation of Minority Interest :

(i) Almondz Commodities Private Limited

Particulars	Amounts (Rs.)
Share capital	100,000
Reserves balance as at 31 March 2009	(73,167)
Post acquisition profits for the year ended 31 March 2010	(8,923)
Balance as at 31 March 2010	17,910

(ii) Almondz Insurance Brokers Private Limited :

Almondz Re-Insurance Brokers Private Limited (ARBPL) share in Almondz Insurance Brokers Private Limited (AIBPL)	
Particulars	Amounts (Rs.)
Share Capital	991,000
Profit upto 22 January 2010	317,113
Profit from 23 January 2010 till 31 March 2010	(80,627)
Balance as at 31 March 2010	1,227,486
AIBPL Minority interest	
Share capital	8,820,000
Reserve and surplus	15,763,892
Add / (Less) : Profit / (losses) from 23 January 2010 till 31 March 2010	(688,775)
Balance as at 31 March 2010	23,895,117

11. Details of income and expenditure in foreign currency :

Income earned in foreign Currency

Amounts (Rs.)

S. No.	Particulars	Year ended 31 March 2010	Year ended 31 March 2009
1	Other Income (Reimbursement of expenses from the client)	—	34,488
2	Brokerage	14,636,556	—
	Total	14,636,556	34,488

Expenditure incurred in foreign Currency

Amounts (Rs.)

S. No.	Particulars	Year ended 31 March 2010	Year ended 31 March 2009
1	Travelling Expenses	268,204	163,051
2	Membership & Subscription	47,129	—
3	Books & Periodicals Expenses	5,285	6,888
4	Computer Repair & Maintenance	—	4,546
5	Business Promotion	—	118,443
6	Bank charges	62,515	—
7	E-reinsured expenses	120,122	—
8	Conference expenses	33,506	—
	Total	536,761	292,928

12. 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 2009*	31 March 2008**
1	3,091,500	927,450	927,450

* Amount of dividend net of tax of Rs. 157,620 for the year ended 31 March 2009 remitted during theyear ending 31 March 2010.

** Amount of dividend net of tax of Rs. 157,620 for the year ended 31 March 2008 remitted during theyear ending 31 March 2009.

13. Deferred tax :

Amounts (Rs.)

Components	As at 31 March 2010		As at 31 March 2009	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Fixed Assets	—	11,924,366	—	14,295,128
Provision for doubtful debts	(982,316)	—	(4,314,312)	—
Provision for diminution in investments	(4,448,766)	—	(1,519,305)	—
Stamp duty under protest	(1,910,715)	—	—	—
Provision for retirement benefits	(3,366,602)	—	(2,398,626)	—
Others	(3,472,945)	—	(2,904,355)	—
Miscellaneous expenditure to the extent not written off or adjusted	(316,820)	—	(451,203)	—
Total	(14,498,164)	11,924,366	(11,587,801)	14,295,128
Net deferred tax liability		(2,573,798)		2,707,327

14. Earnings per share :

Earnings per share 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 2010	Year ended 31 March 2009
Net Profit After Tax available for equity shareholders (Rs.) (A)	109,792,605	54,741,542
Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation. (Nos.) (B)	25,288,433	25,321,767
Weighted average number of equity shares for Basic EPS (Nos.) (C)	25,288,433	25,321,767
Add : Weighted average number of potential equity shares that could arise on conversion of option warrants having dilution effect (Nos.)	188,012	—
Weighted average number of equity shares for Diluted EPS (Nos.) (Face value of Rs.6 each) (D)	25,476,445	25,321,767
Basic EPS (Rs.) (A/C)	4.34	2.16
Diluted EPS (Rs.) (A/D)	4.31	2.16

15. Auditors' remuneration included in legal and professional expenses (excluding service tax)

Amounts (Rs.)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Statutory Auditors		
Audit fee	850,000	804,000
Taxation fee	—	47,500
Limited review	900,000	570,000
Certification fee	118,003	48,500
Out of pocket expenses	137,841	29,482
Total	2,005,844	1,499,482

16. Related Party Disclosure**A) Names of related parties and description of relationship :****(i) Holding company :**

- Almondz Capital and Management Services Limited (w.e.f. 23 January 2010)

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

- Almondz Capital and Management Services Limited (till 22 January 2010)

(iii) Associates :

- Almondz Insurance Brokers Private Limited (till 22 January 2010)
- Almondz Re-insurance Brokers Private Limited (Subsidiary of M/s Almondz Insurance Brokers Private Limited)

(iv) Enterprises over which Key Managerial Personnel are able to exercise significant influences :

- Innovative Money Matters Private Limited
- Shivaz Spas & Hospitality Private Limited

(v) Key Managerial Personnel :

- Mr. Vinay Mehta
- Mr. Navjeet Singh Sobti
- Mr. Jagdeep Singh
- Mr. Rohit Jain
- Mr. Salil Ranjan Das

(vi) Relative of Key Managerial Personnel :

- Mrs. Bulbul Dhir Mehta
- Mrs. Gurpreet N.S. Sobti
- Mrs. Parmeet Kaur
- Mrs. Anu Jain
- Mrs. Veena Jain
- Navjeet Singh Sobti (HUF)
- Jagdeep Singh (HUF)
- R.C. Jain & Sons (HUF)
- Rohit Jain (HUF)

B) Transactions during the year and the balances outstanding as at the year end with the related parties :

		Amount (Rs.)	
S. No.	Particulars	31 March 2010	31 March 2009
1)	Transactions During the Year		
(A)	Income	56,105,536	2,074,621
a	Sale of Shares / Securities	50,170,068	—
	Holding company	50,170,068	—
	Almondz Capital and Management Services Limited	50,170,068	—
b	Interest received	1,169,015	520,740
	Holding company	417,535	—
	Almondz Capital and Management Services Limited	417,535	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	751,480	520,740
	Shivaz Spas & Hospitality Private Limited	751,480	520,740
c	Dividend Received	109,500	15,000
	Associates	109,500	15,000
	Almondz Insurance Brokers Private Limited	109,500	15,000
d	Recovery of reimbursable expenses	1,220,847	1,311,491
	Holding company	15,574	12,372
	Almondz Capital & Management Services Limited	15,574	12,372
	Associates	1,205,273	1,299,119
	Almondz Insurance Brokers Private Limited	1,205,273	1,299,119
e	Brokerage received	3,112,528	225,188
	Holding company	3,059,934	—
	Almondz Capital and Management Services Limited	3,059,934	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	6,200	—
	Innovative Money Matters Private Limited	6,200	—
	Key Managerial Personnel	33,305	181,710
	Jagdeep Singh	24,973	172,697

Amount (Rs.)			
S. No.	Particulars	31 March 2010	31 March 2009
	Vinay Mehta	7,332	—
	Navjeet Singh Sobti	1,000	—
	Others	—	9,013
	Relatives of Key Managerial Personnel	13,089	43,478
	Jagdeep Singh (HUF)	1,475	39,278
	Parmeet Kaur	9,432	—
	Others	2,182	4,200
f	Delay payment charges received on broking activities	315,276	2,202
	Holding company	305,495	2,202
	Almondz Capital and Management Services Limited	305,495	2,202
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	7,940	—
	Innovative Money Matters Private Limited	7,940	—
	Key Managerial Personnel	1,146	—
	Jagdeep Singh	1,146	—
	Vinay Mehta	—	—
	Others	—	—
	Relatives of Key Managerial Personnel	695	—
	Parmeet Kaur	683	—
	Others	12	—
g	Depository charges received on broking activities	8,302	—
	Holding company	6,427	—
	Almondz Capital and Management Services Limited	6,427	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1,103	—
	Innovative Money Matters Private Limited	1,103	—
	Key Managerial Personnel	337	—
	Jagdeep Singh	233	—
	Vinay Mehta	104	—
	Relatives of Key Managerial Personnel	435	—
	Parmeet Kaur	295	—
	Bulbuldhir Mehta	50	—
	Jagdeep Singh (HUF)	64	—
	Others	26	—
(B)	Expenditure	41,331,629	27,947,325
a	Managerial Remuneration	28,946,939	18,671,365
	Key Managerial Personnel	28,946,939	18,671,365
	Navjeet Singh Sobti	9,724,909	8,798,948
	Jagdeep Singh	4,408,362	3,957,417
	Vinay Mehta	7,357,450	5,915,000
	Salil Ranjan Das	3,791,918	—
	Others	3,664,300	—
b	Rent Expenses	5,883,216	5,619,390
	Holding company	2,283,216	2,019,390
	Almondz Capital & Management Services Limited	2,283,216	2,019,390

Amount (Rs.)			
S. No.	Particulars	31 March 2010	31 March 2009
	Relatives of Key Managerial Personnel	3,600,000	3,600,000
	Gurpreet N S Sobti	3,600,000	3,600,000
	Others	—	—
c	Dividend Paid	4,098,980	3,656,570
	Holding company	3,730,046	3,540,800
	Almondz Capital & Management Services Limited	3,730,046	3,540,800
	Associates	10,000	—
	Almondz Insurance Brokers Private Limited	10,000	—
	Key Managerial Personnel	137,645	100,770
	Navjeet Singh Sobti	15,835	15,210
	Jagdeep Singh	86,185	85,560
	Rohit Jain	35,625	—
	Relatives of Key Managerial Personnel	221,289	15,000
	Gurpreet N S Sobti	15,000	15,000
	R C Jain & Sons (HUF)	22,500	—
	Rohit Jain (HUF)	30,000	—
	Veena Jain	56,750	—
	Anu Jain	37,500	—
	Others	59,539	—
d	Interest paid	1,330,274	—
	Holding company	1,330,274	—
	Almondz Capital and Management Services Limited	1,330,274	—
e	Loss on assignment of debt	1,072,220	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1,072,220	—
	Shivaz Spas & Hospitality Private Limited	1,072,220	—
(C)	Assets / Liabilities		
a	Investments made during the year	9,799,039	—
	Investment of Almondz Insurance Brokers Pvt. Ltd. purchased from following related parties during the year		
	Holding company	7,571,983	—
	Almondz Capital and Management Services Limited	7,571,983	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	2,078,584	—
	Innovative Money Matters Private Limited	2,078,584	—
	Key Managerial Personnel	148,472	—
	Navjeet Singh Sobti	74,236	—
	Jagdeep Singh	74,236	—
b	Loans taken during the year	189,500,000	—
	Holding company	189,500,000	—
	Almondz Capital & Management Services Limited	189,500,000	—
c	Loans repaid during the year	189,500,000	—
	Holding company	189,500,000	—
	Almondz Capital & Management Services Limited	189,500,000	—

		Amount (Rs.)	
S. No.	Particulars	31 March 2010	31 March 2009
d	Loan given during the year	415,000,000	—
	Holding company	415,000,000	—
	Almondz Capital and Management Services Limited	415,000,000	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	—	12,400,000
	Shivaz Spas & Hospitality Private Limited	—	12,300,000
	Others	—	100,000
e	Loan recovered during the year	335,000,000	—
	Holding company	335,000,000	—
	Almondz Capital and Management Services Limited	335,000,000	—
f	Advance against Option Warrant	64,560,650	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	64,560,650	—
	Innovative Money Matters Private Limited	64,560,650	—
g	Assignment of debt	12,500,000	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	12,500,000	—
	Shivaz Spas & Hospitality Private Limited	12,500,000	—
2)	Closing balance as at 31 March		
a	Investments	—	4,380,000
	Associates	—	4,380,000
	Almondz Insurance Brokers Private Limited	—	4,380,000
b	Debtors / Receivables	1,757	158,201
	Holding company	—	—
	Almondz Capital & Management Services Limited	—	—
	Associates	—	158,158
	Almondz Insurance Brokers Private Limited	—	158,158
	Relatives of Key Managerial Personnel	1,757	43
	Parmeet Kaur	652	—
	Jagdeep Singh (HUF)	—	43
	Others	1,105	—
c	Creditors / Payables	1,789,679	152,729
	Holding company	1,369,507	—
	Almondz Capital and Management Services Limited	1,369,507	—
	Key Managerial Personnel	403,784	78,558
	Jagdeep Singh	403,784	78,051
	Others	—	507
	Relatives of Key Managerial Personnel	16,388	74,171
	Jagdeep Singh (HUF)	13,104	—
	Navjeet Singh Sobti (HUF)	—	64,554
	Bulbul Dhir Mehta	2,784	—
	Parmeet Kaur	—	9,157
	Others	500	460
d	Loan and Advances	80,334,192	12,713,468
	Holding company	80,334,192	—
	Almondz Capital and Management Services Limited	80,334,192	—

Amount (Rs.)

S. No.	Particulars	31 March 2010	31 March 2009
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	—	12,713,468
	Shivaz Spas & Hospitality Private Limited	—	12,713,468
e	Advance recoverable in cash or in kind (Amount held in trust)	—	4,899,573
	Key Managerial Personnel	—	4,899,573
	Navjeet Singh Sobti	—	4,598,948
	Jagdeep Singh	—	300,625
f	Employee stock options granted during the year (in numbers)	250,000	1,500,000
	Key Managerial Personnel	250,000	1,500,000
	Vinay Mehta	—	1,000,000
	Jagdeep Singh	250,000	500,000
g	Employee stock options outstanding (in numbers)	1,750,000	1,500,000
	Key Managerial Personnel	1,750,000	1,500,000
	Vinay Mehta	1,000,000	1,000,000
	Jagdeep Singh	750,000	500,000

17. Segment Reporting :

For the year ended 31 March 2010

Amount (Rs.)

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Commodity broking operation	Insurance broking operation	Unallocable	Total
Segment Revenue								
Segment Revenue	328,930,385	193,948,238	137,432,211	132,614,151	10,566,128	10,477,044	0	813,968,157
Segment Results								
Segment Results including other income but before Interest income, interest expenses, taxes and prior period expense(net of income)	222,007,322	97,695,251	18,244,709	(88,742,531)	(1,052,883)	(1,630,413)	(70,976,222)	175,545,233
Add : Interest Income	0	0	2,459,424	266,297	1,100,335	454,055	2,848,359	7,128,470
Less : Interest Expenses	2,583,633	0	0	2,889,202	98,176	30,519	4,323,651	9,925,181
Less : Prior period expenses (net of income)	6,477	578,476	12,470	423,706	97,804	(61,365)	200,878	1,258,446
Profit before Tax	219,417,212	97,116,775	20,691,663	(91,789,142)	(148,528)	(1,145,512)	(72,652,392)	171,490,076
Less : Provision for Tax for the Year	0	0	0	0	0	0	58,637,730	58,637,730
Less : Prior Period Tax	0	0	0	0	0	0	3,059,741	3,059,741
Net Profit after tax	219,417,212	97,116,775	20,691,663	(91,789,142)	(148,528)	(1,145,512)	(134,349,863)	109,792,605
Other Information								
Segmental Assets	887,756,625	32,005,663	79,530,805	386,420,996	42,241,376	60,116,216	350,380,683	1,838,452,364
Segmental Liabilities	343,144,758	2,350,128	33,317,888	150,040,062	36,060,762	37,854,796	225,044,797	827,813,191
Capital expenditure	0	0	0	8,716,462	440,051	335,050	7,337,678	16,829,241
Depreciation	0	0	0	9,724,324	214,312	125,675	9,255,273	19,319,584
Non cash expenditure other than depreciation (net of non-cash income)	0	5,218,858	132,500	110,694	55,780	2,820,279	8,558,453	16,896,564

For the year ended 31 March 2009

Amount (Rs.)

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Commodity broking operation	Insurance broking operation]	Unallocable	Total
Segment Revenue								
Segment Revenue	353,592,773	107,910,777	134,370,475	92,045,418	8,784,167	ó	ó	696,703,610
Segment Results								
Segment Results including other income but before interest income, interest expenses, taxes and prior period expense(net of income)	248,739,215	27,719,602	(6,334,770)	(90,855,012)	(9,175,145)	ó	(66,860,975)	103,232,917
Add : Interest Income	ó	ó	3,253,250	ó	541,605	ó	3,542,813	7,337,668
Less : Interest Expenses	ó	ó	ó	ó	ó	ó	5,238,714	5,238,714
Less : Prior period expenses (net of income)	ó	ó	2,089,834	677,556	ó	ó	15,058,728	17,826,118
Profit before Tax	248,739,215	27,719,602	(5,171,354)	(91,532,568)	(8,633,540)	ó	(83,615,604)	87,505,752
Less : Provision for Tax for the Year	ó	ó	ó	ó	ó	ó	42,031,707	42,031,707
Less : Prior Period Tax	ó	ó	ó	ó	ó	ó	(804,662)	(804,662)
Net Profit after tax	248,739,215	27,719,602	(5,171,354)	(91,532,568)	(8,633,540)	ó	(124,842,649)	46,278,707
Other Information								
Segmental Assets	434,744,276	27,823,876	57,091,594	335,124,300	33,284,981	ó	245,876,436	1,133,945,463
Segmental Liabilities	ó	9,081,586	16,194,596	95,537,621	29,023,922	ó	81,143,706	230,981,431
Capital expenditure	ó	ó	ó	15,320,181	861,884	ó	20,051,589	36,233,654
Depreciation	ó	ó	ó	10,209,633	220,765	ó	9,461,639	19,892,037
Non cash expenditure other than depreciation (net of non-cash income)	ó	12,536,058	2,798	2,796,495	5,237,335	ó	5,762,452	26,335,138

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** comprise 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 activities** comprise Stock and Share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
 - **Commodities broking operations** comprise broking operations related to trading of commodities in MCX and NCDEX and other related ancillary services.
 - **Insurance broking operations** comprises operations related to insurance broking activities and other related ancillary services.
- (II) The Board of Directors ('the Board') of the Company in their meeting held on 31 October 2008 had approved the sale, transfer or otherwise dispose off the Company's undertaking comprising its Debt portfolio management division ('DPM') as a going concern to Almondz Finanz Limited, a 100% subsidiary of the Company. The members of the Company had also approved, through a postal ballot, a special resolution to this effect, the results of which were declared on 9 December 2008. The Company has got required approvals from the concerned authorities; however the Board is yet to formulate a detailed, formal plan as defined in Para 16 of AS 24 to execute this decision taken by the Company. The DPM division is a separate segment identified by the Company, by the name "Debt and equity market operations", as part of its segment reporting.
- (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'

18. 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 :

Particulars	(Rupees)	
	For the Year Ended 31 March 2010	For the Year Ended 31 March 2009
Lease payments for the year	48,253,104	50,062,716
Minimum Lease payments due-		
Not later than one year	39,820,464	29,206,692
Later than one year but not later than five years	109,927,846	70,775,923
Later than five years	46,655,470	23,790,428

19. 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 amounts payable to Micro and Small Enterprises as at 31 March 2010.
20. Prior to acquisition of majority stake by AGSL in Almondz Insurance Brokers Private Limited ('AIBPL'), AIBPL was holding 33,334 equity shares of AGSL pursuant to the scheme of amalgamation between the erstwhile Almondz Capital Markets Private Limited with AGSL vide Hon'ble Delhi High Court order dated 5 February 2008. The paid up capital of AGSL as on 31 March 2010 comprised of 25,321,767 equity shares of Rs. 6 each. Pursuant to Sec. 42(3), the aforesaid 33,334 equity shares held by AIBPL in AGSL have no right to vote at the meetings of AGSL thereby leading to the reduction in the number of voting equity shares comprising the paid up capital of AGSL (represented by 25,288,433 equity shares) as at 31 March 2010. Further, during the process of consolidation for the year ended 31 March 2010, the mentioned shares were reduced from the share capital of AGSL to eliminate the cross holding of AIBPL in AGSL.
21. Previous year figures have been regrouped / reclassified, wherever necessary to conform to current year's classification.

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

ALMONDZ GLOBAL SECURITIES LIMITED

(Consolidated financial statements) Financial year ended 31 March 2010

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 Retail Equity Limited	Almondz Insurance Brokers Private Limited	Almondz Re-Insurance Brokers Private Limited
Total issued Equity Share Capital of the Subsidiary Company	150.00	500.00	5.00	180.00	200.00
Reserves of the Subsidiary	—	0.83	—	241.63	47.73
Total Assets of the Subsidiary	510.24	3,824.34	5.12	579.78	286.50
Total Liabilities of the Subsidiary	360.24	3,323.51	0.12	158.15	38.77
Investments (other than in subsidiary companies)	—	—	—	35.46	125.46
Total Turnover	119.94	163.80	0.22	99.08	11.22
Profit / (Loss) before taxation	(12.16)	(41.03)	0.14	2.54	(16.51)
Provision for taxation (including Deferred Tax and Fringe Benefit tax)	1.22	(0.63)	0.03	1.63	(0.74)
Profit / (Loss) after taxation	(13.38)	(40.40)	0.12	0.91	(15.77)
Proposed dividend	—	—	—	—	—

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Navjeet Singh Sobti
Executive Vice Chairman

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

Place : New Delhi
Date : 28th May, 2010

**ALMONDZ GLOBAL SECURITIES LIMITED**

Regd. Office : 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110001

ELECTRONIC CLEARING SERVICES (ECS) FORM

To
Beetal Financial & Computer Services Pvt. Ltd.*
Unit : **Almondz Global Securities Limited**
"Beetal House", 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi - 110062

Depository Participant* :
Name :
Address :

Re : Payment of Dividend through ECS

I/we wish to participate in the Electronic Clearing Services for payment of dividend to me/us by Almondz Global Securities Limited. Given below are the details of my Bank Account.

OR

I/we do not wish to opt for Electronic Clearing Services for payment of dividend to me/us. Given below are the details of my/our Bank Account to be printed against my name on the dividend warrant.

Name of the Sole / First Shareholder	
Folio No./Beneficiary ID No.	
Bank Name	
Branch (Name, Address & Telephone No.)	
Type of Account (Saving or Current)	
Account No. (As appearing in Cheque Book)	
Ledger Folio No. (if any) of your Bank Account	
9 Digit MICR No. (as appearing on the Cheque issued by the Bank – Please attach a photocopy of your Cheque Leaf which contains your Bank A/c No.)	
PAN / GIR No.	

I/we hereby declare that the above particulars given are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/we would not hold the Company responsible. I/we also undertake to advise changes, if any, in the particulars of my/our account to facilitate updation of records for purposes of credits of dividend amount through ECS.

Date : _____ **Signature of sole / first Shareholder**

***Note :**

1. Please send ECS Form duly filled and signed by September 17, 2010.
2. Please complete the form and send it to Beetal if you are holding share certificate (s) in the physical form.
3. In case your shares are in Dematerialized form, write to / update the Depository Participant (DP) with whom you are maintaining Demat Account.
4. In case of more than one Folio, please complete the details on separate sheets.
5. Shareholders are also requested to note that changes directly intimated to Beetal or the Company will not be considered in respect of Demat accounts.
6. In case there is a change in Address/Bank Account/Bank Branch, inform / update Beetal / DP immediately, as the case may be.



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 16th Annual General Meeting of the Company to be held on Tuesday, the 28th day of September, 2010 at 3.30 P.M. and at any adjournment thereof.

Signed this.....day of.....2010

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 16th Annual General Meeting of the Company being held on Tuesday, the 28th day of September 2010 at 3.30 P.M. at PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016

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.