

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
David John Wilson ⁺	– Non-Executive & Independent Director
Sanjay Kumar Tiwari [#]	– Non-Executive & Independent Director

[^] Navjeet Singh Sobti has been re-appointed as the Wholetime Director (designated as Executive Vice Chairman) of the Company w.e.f. 19 May 2011 for a further period of five years

[>] Vinay Mehta has been re-appointed as the Managing Director of the Company w.e.f. 19 May 2011 for a further period of five years

^{*} Qais M. M. Al-Yousef had resigned from the directorship of the Company w.e.f. 10 February 2011

[@] Krishna Kumar Gupta had resigned from the directorship of the Company w.e.f. 10 February 2011

[§] Shiv Karan Singh had been appointed as an Additional Director of the Company w.e.f. 28 May 2010

⁺ David John Wilson has been appointed as an Additional Director of the Company w.e.f. 10 February 2011. However, he has resigned from the directorship of the Company w.e.f. 8 August 2011

[#] Sanjay Kumar Tiwari has been appointed as an Additional Director of the Company w.e.f. 10 February 2011

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)

Registrar & Share Transfer Agent

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

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.
Citi bank

Registered Office

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

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Notice

TO THE SHAREHOLDERS,

NOTICE is hereby given that the 17th Annual General Meeting of the Members of ALMONDZ GLOBAL SECURITIES LIMITED will be held on Thursday, the 29th day of September 2011, at 12.30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054, to transact the following businesses :

ORDINARY BUSINESS :

1. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :
"RESOLVED THAT the Audited Balance Sheet as at 31 March 2011 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 16 September 2011/as at the close of business hours on 16 September 2011, be and is hereby, declared out of the current/accumulated profits of the Company for the Financial Year ended on 31 March 2011."
"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. Atul Kumar Shukla, 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. Surendar Kumar Sood, 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. Sanjay Kumar Tiwari, 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 a Special Resolution :

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and any other applicable provisions therein, including any modification/amendment thereto from time to time, the following new Clause 68A, be and is hereby, inserted after Clause 68 in the existing Articles of Association of the Company :

"68A. Meetings, Decisions and Voting by some or all members by Digital Electronic means like e-mail, Internet Conference, Video Conference, Telephone Conference etc., will have the same effect as a Meetings, Decisions, and Voting done in a meeting, physically attended by members."

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

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and any other applicable provisions therein, including any modification/amendment thereto from time to time, the following new Clause 100A, be and is hereby, inserted after Clause 100 in the existing Articles of Association of the Company :

"100A. Subject to the applicable provisions, if any, of the Companies Act, 1956 and other regulatory provisions, if any, the Board of Directors may participate in a meeting by means of a conference telephone or a video conference telephone or similar communications equipment by which all members participating in the meeting are able to hear and be heard by all other members of the Board without the need for a member to be in the physical presence of another member(s) and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting, and all relevant articles dealing with Board or Committee Meetings shall be read mutatis mutandis. The members participating in any such meeting shall be counted in the quorum for such Board Meeting and subject to there being a requisite quorum under these Articles, all resolutions agreed by the members in such Board Meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Board members duly convened and held. A Board Meeting conducted by means of a conference telephone or a video conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Board members attending the Board Meeting, provided that at least one of the Board members present at the Board Meeting was at that place for the duration of the Board Meeting."

NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6, 7, and 8 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.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
3. The Register of Members and Transfer Books of the Company will be closed from Saturday, 17 September 2011 to Thursday, 29 September 2011, both days inclusive. Dividend, if declared, shall be paid on or after 29 September 2011 as under :
 - (a) 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, 16 September 2011; and
 - (b) 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, 16 September 2011.
4. 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 cannot 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.
5. 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.
6. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
7. 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 17 September 2011 to 29 September 2011 (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 29 September 2011.
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 Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
15. 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.
16. 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.
17. 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.
18. Re-appointment/Appointment of Directors : At the ensuing Annual General Meeting, Mr. Atul Kumar Shukla and Mr. Surendar Kumar Sood, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. In the ensuing Annual General Meeting, Mr. Sanjay Kumar Tiwari is proposed to be appointed as the Director of the Company liable to retire by rotation.
 The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreements, are furnished in the Statement on Corporate Governance in this Annual Report.

By Order of the Board of Directors

New Delhi
August 8, 2011

RAJIV L. JHA
Vice President & Company Secretary

Explanatory Statement

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

Item No. 6

Mr. Sanjay Kumar Tiwari, aged 46 years, is a Chartered Accountant with accreditations from the Institute of Chartered Accountants of India, and a graduate in Commerce. He has 25 years of experience in Industries ranging from Textile, Cement, Tyre & Engineering to FMCG. He has in-depth knowledge of Middle East, South East and South Asian Markets. His core expertise has been to monitor and manage the operations of varied industries from financial and commercial viewpoint. He has also been instrumental in turning around loss making companies in countries i.e. Malaysia, Egypt, India and Middle East.

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

None of the Directors of the Company, except Mr. Sanjay Kumar Tiwari, is in any way, concerned or interested in the said Resolution.

None of the existing directors of the Company has any relationship with Mr. Sanjay Kumar Tiwari.

meetings of Board / Committee thereof as well as meetings of the members of a Company may be conducted through video conferencing subject to compliance / fulfillment of various conditions prescribed therein by the said Ministry.

Accordingly, in order to provide for a general enablement in the extant Articles of Association of the Company, it is required to amend the extant Articles of Association by inserting two new Clauses, i.e. Clause 68A and Clause 100A as mentioned in the aforesaid resolutions pertaining thereto.

The Board of Directors recommends the resolutions appearing under Item Nos. 7 and 8 for the members' approval in the manner as mentioned therein.

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

Item No. 7 & 8

Pursuant to the recent "Green Initiative in the Corporate Governance" prescribed by Ministry of Corporate Affairs, the

New Delhi
August 8, 2011

RAJIV L. JHA
Vice President & Company Secretary

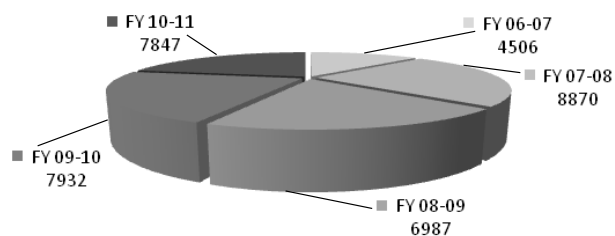
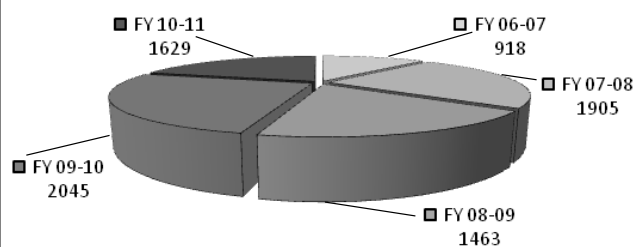
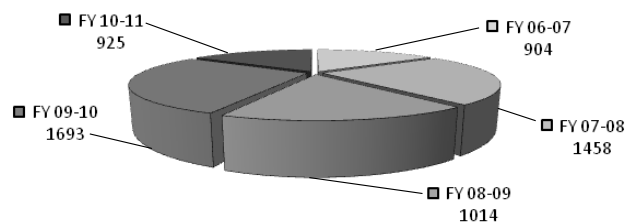
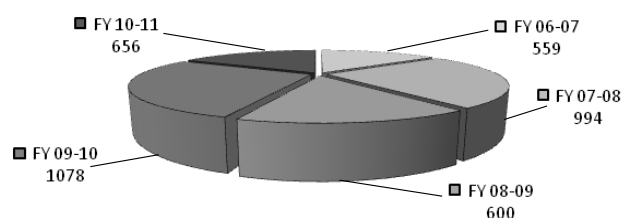
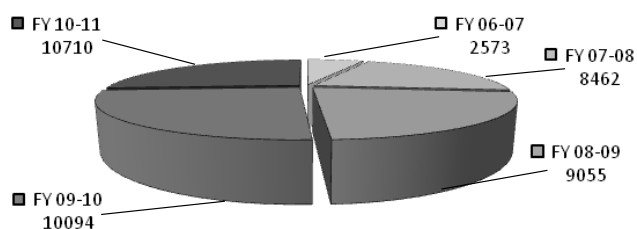
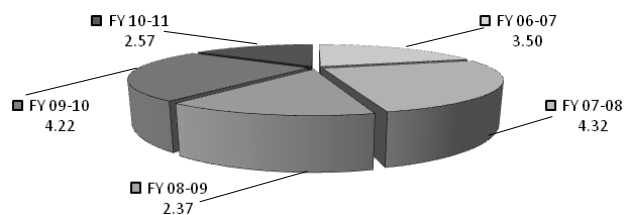
LAST FIVE YEARS AT A GLANCE

Rs. In Lacs*

Sl. No.	Particulars / Financial Year	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1	Gross Revenue	4505.81	8869.65	6986.53	7932.45	7846.78
2	EBIDTA	917.63	1905.33	1462.82	2045.43	1629.48
3	PBT	904.16	1458.01	1013.86	1693.03	925.07
4	PAT	559.17	994.30	600.40	1077.57	656.25
5	Paid-up Equity Capital	959.77	1519.31	1519.31	1519.31	1529.10
6	Net Worth	2573.41	8462.17	9055.11	10093.64	10710.00
7	Current Assets	5280.19	12232.92	8917.62	13336.30	10059.31
8	Current Liabilities	425.93	1047.04	1479.91	2030.30	2481.49
9	Provisions	183.47	120.02	160.43	193.37	239.57
10	Total Assets	6201.19	12969.77	9451.17	13036.64	13952.04
11	Current Ratio	11.24:1	11.68:1	6.03:1	6.57:1	4.05:1
12	Total Assets Turnover	0.73	0.68	0.74	0.61	0.56
13	Fixed Assets Turnover	7.53	5.74	4.21	6.91	1.80
14	EPS	3.50	4.32	2.37	4.22	2.57

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

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

Gross Revenue (in Rs. Lakhs)**EBIDTA (in Rs. Lakhs)****PBT (in Rs. Lakhs)****PAT (in Rs. Lakhs)****Net Worth (in Rs. Lakhs)****EPS (in Rs.)**

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, 2011.

1. Financial Results

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

	(Rs. in Lacs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Income	7846.78	7932.45
Profit before Interest, Depreciation & Tax	1629.48	2045.43
Less : Interest	432.44	162.62
Less : Depreciation	271.97	189.78
Less : Provision for Tax	268.82	615.46
Net Profit after Tax	656.25	1077.57
Profit/(Loss) brought forward	3302.94	2349.79
Profits available for Appropriation	3959.19	3427.36
Appropriations :		
Transfer to General Reserve	—	—
Divided (Including corporate dividend tax for the previous year paid during the year)	0.17	—
Transfer as Proposed Dividend	107.04	106.35
Corporate Dividend Tax	17.78	18.07
Profit/(Loss) carried to Balance Sheet	3834.20	3302.94

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, 2011. The final outgo on dividend is as under :

(in Rs.)

	Current Year 2010-11	Previous Year 2009-10
On 25484967 fully paid-up equity shares of Rs. 6/- each, @ Rs. 0.42 per share	10703686.14	—
On 25356767 fully paid-up equity shares of Rs. 6/- each, @ Rs. 0.42 per share (Previous Year – Final Dividend)	—	10649842.14 *
Corporate Dividend Tax	1777749.00	1807442.00

* includes dividend for the previous year paid on shares issued after the balance sheet date and prior to the record date

As abovementioned, the total outflow on dividend payout will be Rs. 12481435.14 which would translate to 19.02% 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. However, there is an amount of dividend for the previous year which was paid during the year and accordingly the surplus carried to the Balance Sheet amounted to Rs. 3834.20 Lacs.

year's Rs. 7932.45 Lacs. As per the Consolidated Accounts, the total income was Rs. 10029.33 Lacs, as against the previous year's Rs. 8297.07 Lacs. The net profit of the Company for the year was Rs. 656.25 Lacs (8.36% of total income) as compared to Rs. 1077.57 Lacs (13.58% of total income) in the previous year. As per the Consolidated Accounts, the net profit for the year was Rs. 955.80 Lacs (9.53% of total income) as compared to Rs. 1097.93 Lacs (13.23% of total income) in 2009-10.

4. Standalone & Consolidated Financials

For the year ended March 31, 2011, your Company earned a total income of Rs. 7846.78 Lacs, as against previous

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 2011, your Company has a diverse employee base with 409 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 Standards 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 2011 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. All the directors, Senior Management Personnel and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company or its client/s, are covered under the said Code. The Directors, Senior Management Personnel, designated employees, and their dependent relatives, are restricted in dealing in the shares of the Company or its clients while in possession of unpublished price sensitive information about the Company or its clients, as the case may be. Further, the aforesaid persons are restricted in dealing in shares of the Company during closed "Trading Window". All the Directors, senior management personnel and other designated employees of the Company are restricted from entering into opposite transactions, i.e., buy or sell any number of shares during the next six months following the prior transaction, and they are also restricted from taking any positions in derivative transactions in the shares of the Company at any time, as per the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2008.

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

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 2010-11, 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 2010-11 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 2009-10, 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. Therefore, the number of equity shares carrying voting rights comprising paid-up share capital of your Company as at 31 March 2010 was reduced to 25288433 equity shares. However, during the year ended 31 March 2011, AIBPL disposed off 20340 equity shares of your Company. Accordingly, during the year under Report, the number of equity shares of your Company carrying voting rights had increased to 25471973 (including 163200 equity shares allotted during the year under Report) as at 31 March 2011. Based on the aforesaid, the shareholding (12653314 equity shares) of one of the promoters of your Company namely Almondz Capital & Management Services Ltd. (ACMS) in your Company as on 31 March 2011 constituted 49.67%, thereby ceasing ACMS from being 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.

The provisions of Section 212 of the Companies Act, 1956 provides for the attachment of annual accounts and other requisite documents of all the subsidiary companies with the Balance Sheet of the holding company to be sent to all the shareholders of the holding company. However, Section 212(8) of the Companies Act, 1956 provides for an exception to the aforesaid requirement by way of allowing the Holding company to make an application to the Central Government for exemption from attaching the said documents with the Balance Sheet of the Holding company.

However, during the year under Report, the Ministry of Corporate Affairs, vide General Circular No. 2/2011 (No. 5/12/2007-CL-III) dated 8th February 2011 came out with a direction that henceforth the requirement of seeking Central Government's exemption from attaching the balance sheet/s of the subsidiaries shall not apply to a company provided the following conditions as stipulated in the aforesaid General Circular are complied with:

1. The Board of Directors of the Company has by resolution given consent for not attaching the balance sheet of the subsidiary concerned;

2. The company shall present in the annual report, the consolidated financial statements of holding company and all subsidiaries duly audited by its statutory auditors;
3. The consolidated financial statement shall be prepared in strict compliance with applicable Accounting Standards and, where applicable, Listing Agreement as prescribed by the Securities and Exchange Board of India;
4. The company shall disclose in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (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;
5. The holding company shall undertake in its annual report that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned and a note to the above effect will be included in the annual report of the holding company. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand;
6. The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;
7. The company shall give Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiaries companies along with exchange rate as on closing day of the financial year.

Accordingly, the Board, in its meeting held on 28 May 2011 granted its consent as aforesaid.

Further, pursuant to the aforesaid General Circular, your Company undertakes that the annual accounts of its subsidiary companies and the related detailed information shall be made available to our shareholders and shareholders of subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office/registered office of your Company and of the subsidiary companies concerned. The holding company shall furnish a hard copy of details 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 2011 is appearing elsewhere in this Annual Report.

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

Mr. Shiv Karan Singh was inducted on the Board of Directors of the Company as an Additional Director on 28 May 2010 who was later on appointed as a Director retireable by rotation at the 16th Annual General Meeting held on 28 September 2010.

During the year under Report, Mr. Qais M.M. Al-Yousef and Mr. Krishna Kumar Gupta (as nominated by Al Anwar Holdings SAOG, Sultanate of Oman) resigned from the directorships of the Company w.e.f. 4 February 2011, and in their places, Mr. David John Wilson and Mr. Sanjay Kumar Tiwari had been inducted (as nominated by Al Anwar Holdings SAOG) as Additional Directors of the Company w.e.f. 10 February 2011. Further, w.e.f. 8 August 2011, Mr. David John Wilson resigned from the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Sanjay Kumar Tiwari shall hold office only up to the date of the ensuing 17th Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with the requisite deposit, in respect of the abovestated person, proposing his appointment as an Ordinary Director of the Company retireable by rotation.

Mr. Atul Kumar Shukla and Mr. Surendar Kumar Sood, Directors, retire by rotation at the ensuing 17th Annual General Meeting.

On 14 May 2011, Mr. Navjeet Singh Sobti and Mr. Vinay Mehta (whose terms were expiring on 18 May 2011) have been re-appointed for a further period of 5 years w.e.f. 19 May 2011 as Wholtime Director (designated as Executive Vice Chairman), and Managing Director, respectively. The aforesaid re-appointments have already been confirmed / consented to by the Shareholders of the Company on 22 June 2011 vide Postal Ballot.

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. Thereafter, the Scheme was amended vide approval of the shareholders of the Company by passing a Special Resolution on 13 April 2010 by way of postal ballot, thereby increasing the number of options

which can be granted under the Scheme from 4500000 or 15% of paid-up share capital of the Company, whichever is lower, to 1,50,00,000 or 50% of paid-up share capital of the Company, whichever is lower.

During the year under Report, on May 28, 2010, the Compensation Committee of the Board of Directors 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, no lapsing of options occurred.

Further, during the year under Report, pursuant to the Scheme and the terms of the grants made, an aggregate of 1164500 options got vested in the optionholders as per the applicable vesting schedule of 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 2011. 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. Issuance of Equity Shares

During the year under Report, under the "Almondz Global Securities Employees Stock Option Scheme 2007", out of ESOS Series 'A', an aggregate of 129000 options; out of ESOS Series 'B', 25000 options; and out of ESOS Series 'C', an aggregate of 9200 options were exercised by the respective grantee-employees, against an aggregate of 163200 equity shares which were allotted by your Company on August 13, 2010 and on October 8, 2010, as the case may be.

19. Listing of Equity Shares

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

20. Ratings for Term Funding

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

21. Memberships of Wholesale Debt Market Segment at National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

During the year under Report, in order to diversify its bouquet of services to its valued clients, your Company obtained the memberships of Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Ltd. as well as Bombay Stock Exchange Ltd.

The Wholesale Debt Market segment deals in fixed income securities and provides screen-based trading facilities for a variety of debt instruments including Government Securities, Treasury Bills and Bonds issued by Public Sector

Undertakings / Corporates / Banks like Floating Rate Bonds, Zero Coupon Bonds, Commercial Papers, Certificate of Deposits, Corporate Debentures, State Government loans, SLR and Non-SLR Bonds issued by Financial Institutions, Units of Mutual Funds and Securitized debt by banks, financial institutions, corporate bodies, trusts and others. Large investors and a high average trade value characterize this segment and speak about providing transparency and efficiency to the debt market.

22. Auditors & Auditors' Report

The Statutory Auditors, M/s. B S R & Co., Chartered Accountants (Firm Registration No. 101248W), of your Company are due for retirement at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of Listing Agreement. Your Directors recommend their re-appointment for the ensuing year, i.e. FY 2011-12.

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.

23. Particulars of Employees

The Ministry of Corporate Affairs, by notification dated 31 March 2011, issued the Companies (Particulars of Employees) Amendment Rules, 2011, which amended the limits of remuneration of the employees mentioned under Companies (Particulars of Employees) Rule, 1975. Accordingly, as per the Companies (Particulars of Employees) Amendment Rules, 2011 read with the provisions of Section 217(2A) of the Companies Act, 1956, details of the names and other particulars of employees drawing remuneration aggregating

to more than Rs. 60,00,000 (Rupees Sixty Lacs) per annum, and Rs. 5,00,000 (Rupees Five Lacs) per month, are required to be attached to this report. Accordingly, the requisite information is given in an Annexure forming part of this Report.

24. 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 2010-11.

Foreign Exchange Earnings & Outgo

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

Earnings : Rs. 220500/-
Outgo : Rs. 24269969/-

25. Acknowledgements

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the Securities and Exchange Board of India, the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies.

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

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

For and on behalf of the Board of Directors

New Delhi
August 8, 2011

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	82.47	Permanent	Appointed for a period of 5 Years	Managing Director	MA, MBA	19 May 2006	57	Centurion Bank of Punjab Ltd.

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
Gautam Arun Patel	52.33	Permanent	As per Appointment Letter	Head - Principal Investments	Bachelor of Computer Science	1 April 2010	41	Battery Ventures

* 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 2011)

Nature of Disclosure		Particulars
a)	Options granted during the year	ESOS 2007 : 1,05,000 options
b)	Pricing Formula	<u>Fifth Tranche (granted on May 28, 2010)</u> The exercise price was determined as Rs. 60.50 (Rupees Sixty and Fifty 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 1,05,000 options were granted.
c)	Options vested during the year	1164500
d)	Options exercised during the year	163200
e)	The total number of shares arising as a result of exercise of options during the year	163200
f)	Options lapsed during the year	Nil
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 (Including Tax)	Rs. 85,09,920/-
i)	Total number of options in force (at the end of the year)	ESOS 2007 : 34,46,800 options
j)	Employee-wise details of options granted	
	i) Senior Managerial Personnel	Nil
	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

Nature of Disclosure		Particulars
k)	Diluted Earnings per Share	Rs. 2.57
l)	Difference between the employee compensation cost, computed using the intrinsic value of the stock options, and the employee compensation cost that shall have been recognized, if the fair value of the options was used	Rs. 1,89,36,909/-
	The impact of this difference on profits and on EPS of the Company	Profit after deduction of the difference between employee compensation costs as computed hereinabove Rs. 4,66,87,964/- Basic & diluted EPS on above computed Profit Rs. 1.84
m)	i. Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock	Fifth Tranche : Rs. 60.50 and Rs. 31.89
	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*
	(i) risk-free interest rate (%)	Fifth Tranche 6.96%
	(ii) expected life (No. of years)	4.5
	(iii) expected volatility (%)	48.90%
	(iv) dividend yield (%)	7.0%
	(v) the price of the underlying share in the market at the time of option grant	64.90

* Although the Company account for employees stock options using intrinsic value method, the following inputs are used in determining the fair value of options granted during the year under *Almondz Global Securities Employees Stock Option Scheme 2007*, for disclosure made in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

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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

Macro-economic and Industry Developments

After a strong revival last year, the domestic growth cycle remained robust, extending and consolidating the recovery set forth in the fiscal year ended March 31, 2011. While emerging headwinds from tightening monetary conditions and a scale back in fiscal stimulus measures (put in place during the global credit crisis of the calendar year 2008) led to some moderation in industrial growth, service sector growth and agricultural performance were strong and picked up the slack from industry. This is likely to have pushed the headline GDP growth in the year ended March 31, 2011 to 8.6% from 8.0% in the previous year.

Stimulus driven government spending has dissipated as a major driver of growth and private demand has successfully taken over. However, even as domestic consumption growth has remained robust, investment demand has somewhat disappointed with infrastructure project execution by the government remaining tardy and the corporate capital expenditure cycle remaining subdued. The service sector has, however, remained strong with services such as finance, insurance, trade, transportation and communication performing well and taking overall service sector growth to 9.6% against 10.0% a year ago, despite a visible slowdown in government related services such as community, personal and social services.

Domestic inflationary pressures however, are no longer driven by food prices alone and inflation has become more broadbased over the past year. Firm international commodity prices, especially items such as crude oil, as well as the return of pricing power amongst domestic manufacturing firms amidst firm demand have pushed manufactured goods inflation higher.

Monetary policy has, as a result, become more restrictive over the past year with the RBI changing policy focus from calibrating the exit from an accommodative stance to tackling inflation more aggressively. Policy rates (repo and reverse repo rate) have been hiked by 225-275 basis points over the last year but the effective tightening in rates has been far higher. Structural pressures on banking system liquidity

from subdued deposit growth such as leakages from the deposit base towards currency in circulation have meant that the monetary transmission mechanism has been quick. As a result, the effective policy rate has shifted from the reverse repo rate (rate consistent with surplus liquidity) to the repo rate (rate consistent with deficit liquidity) involving incremental tightening of 100-150 basis points over and above the policy rate hikes over the year.

Net foreign inflows into the country have been subdued and have been a major factor constraining money supply and deposit growth.

Reflecting the improvement in global growth conditions driven by fiscal and monetary stimulus measures, export growth in the last quarter of the fiscal year ended March 31, 2011 was a strong 42.0%. Import growth slowed down from 32.8% in the first half of the last financial year to 10.0% in the second half, inflows from invisibles picked up pace in the third quarter of the fiscal year ended March 31, 2011 growing by 17.0% on the year against a decline of 2.6% Y-o-Y in the first half of the same year.

(Sources: Ministry of Finance, RBI, CSO, Ministry of Commerce)

Economic Outlook

For India, the year 2010 was a year of contrasts. On one hand, the economy revived with steady growth, but inflation remained a concern and reforms were sluggish. Divestments and the 3G auction went off better than expected but governance hit a new low, as corruption charges against the government dampened overall morale, affected its functioning and paralyzed the entire winter session of Parliament.

The recent global crisis has shown that monetary policies in advanced countries do have spillover effect on emerging market economies (EMEs). For instance, persistence of low interest rates in advanced economies, by increasing the interest rate differential could push excessive capital flows to EMEs in search of higher returns, thus exposing these economies to the risk of reversal unrelated to their fundamentals. Excessive inflows could accentuate asset prices and put upward pressure on exchange rate.

The global scenario presents a mixed picture. While growth in EMEs remains strong, the sharp increase in oil prices as a result of the turmoil in the Middle East and North Africa is adding uncertainty to the pace of global recovery. Further, coming on top of already elevated food and other commodity prices, the spike in oil prices has engendered inflation concerns.

Consequently, an increasing number of EMEs have begun monetary tightening, while the debate on exit from the accommodative monetary stance has come to the fore in the advanced economies. ECB raised interest rates in early April 2011 by 25 bps for the first time in nearly three years. India's consumption story remains buoyant. As in 2010, the market for skilled labour remains buoyant led by the service sector.

Inflation

The year 2010-11 started off with headline inflation of 11.0 per cent in April 2010 in terms of Wholesale Price Index on the revised base year. After remaining in double digits till June 2010, inflation moderated to reach 8.93 per cent in September, 2010. Headline inflation in November 2010 was 8.08 per cent, but the trend reversed and in December 2010, it was 9.41 per cent. Food prices have been the main driver of inflation. In spite of having good monsoon this year, headline inflation at elevated levels owed to high levels of food inflation. Primary food articles inflation spiked to 20.8 per cent in week ended December 25, 2010 due to severe supply constraints in respect of some food items. The average inflation in the primary articles was reported at 17.84 percent during FY 2010-11 as compared to 12.6 per cent last year. The rise in purchasing power owing to the rapid growth of the economy and inclusive programmes like Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) partly contributed to the upward trend in inflation. Fuel inflation, which had moderated from 14.32 per cent in May 2010 to 10.07 per cent in November 2010, rose again to 11.63 per cent in December 2010 due to rise in non-administered domestic fuel prices, reflecting the sharp increase in international prices. As a result of newer factors and increased risks, the inflation trajectory is likely to show some persistence and moderate only gradually.

Performance of the Indian Capital Markets

Equity Markets :

Equity markets, while appreciating during fiscal 2011, continued to remain volatile as various events such as increased inflationary concerns, the European sovereign debt crisis, and political events in the Middle East and North Africa impacted investor sentiments. On an overall basis, the benchmark equity index (the BSE Sensex) increased by 10.9% from 17,528 at March 31, 2010 to 19,445 at March 31, 2011. Foreign institutional investment flows into India continued to remain strong during the first ten months of the year before declining significantly during the last quarter of fiscal 2011. Participation from the domestic investors (including institutions) remained subdued. A sharp shift was witnessed in trading activity from delivery (average daily volumes on NSE down 17.3% y-o-y) to F&O market (especially options) (average daily volumes on NSE up 59.1% y-o-y). This had an impact on the brokerage yields for all industry participants.

The equity markets continued to be affected by a lack of interest by retail investors, volatile FII flows and concerns on corporate earnings. High interest rates also affected capital raising activity through bonds. The commodity markets were also volatile in view of pressure on global commodity prices. We see the concerns persisting in the early part of the year ahead of us. However, with an expected boost in the infrastructure expenditure and with the industries already facing capacity crunch, we expect investment activity to revive in the latter half of the coming year.

Debt Markets :

It is an undisputed fact that deep and liquid debt markets are as important to the long-term growth of an economy

as equity markets. In India, unfortunately, for a variety of reasons, there has been a lag in the development of debt markets when compared to equity markets. What is heartening is that in recent times, the RBI and SEBI have taken a number of steps to develop the corporate bond market. Limits on foreign investment in local currency bonds have been progressively liberalised. It is expected that further reforms in insurance and pension segments of the financial sector along with fiscal consolidation will spur demand for corporate bonds. Moreover, the advent of Treasury Bill, Interest Rates Futures, introduction of corporate bonds repoability, and credit default swaps coupled with other reforms is expected to galvanise the debt markets. This would help in making bonds a cheaper and more efficient alternative for corporates for raising resources. As India has a huge need for infrastructure development, the expansion of corporate bond market becomes imperative and is expected to become a major source of capital in future when structural reforms are in place.

Government Securities

Primary Market

The Union Budget for FY 2010-11 originally placed the gross market borrowing for the fiscal year at Rs. 457000 crore. The issuances were front loaded and 65 per cent of the borrowings were completed in the first half of the year. There were heavy redemptions worth Rs. 112133 crore, but there was no unwinding of MSS bonds as witnessed in the previous fiscal. However, the liquidity conditions turned extremely tight since May, 2010, which forced RBI to conduct OMO auctions to purchase securities and infuse liquidity into system. RBI purchased dated securities worth Rs. 69395 crore under OMO in the second half of the year while the borrowing was also reduced by Rs. 20000 crore. OMO buyback auctions gave huge respite to the G-sec market as the same helped create demand for the primary market supplies amid extremely tight liquidity conditions. Borrowings were concentrated in short and medium term securities and the weighted average maturity of issuances stood at 11.64 years from 11.20 years in the previous year. The weighted average yield of dated securities issued during 2010-11 was higher at 7.91 per cent as compared to 7.23 per cent during 2009-10.

Secondary Market

Unlike the previous year, in which yields traded with a general hardening bias, there was ample sideways movement in yields amid a broad range in FY 2010-11. In the first quarter of the year, yields slipped sharply taking cues from bleak global economic outlook and sharp fall in US treasury yields. However, in the second quarter yields firmed up, with 10-yr yield rising past 8 per cent mark as inflation and supply concerns weighed on market sentiments. In the month of September 2010, bond markets were also put off by more than expected hike in policy rates by RBI in the first mid quarter policy review. However towards the close of the second quarter, bond yields retreated again after government reduced the borrowings for HY2 by Rs. 10000 crore and also raised the cap of FII investment in bonds by USD 10 bn to a total of USD 30 bn. Market conditions improved significantly towards the end of the third quarter after RBI

announced OMO buyback auctions of Rs. 48000 crore to ease out the liquidity crunch and kept the policy rates unchanged in December 2010 policy meet. In the last quarter of the year, persistently high inflation pushed yields to almost a year highs. After peaking out in February 2011, yields started retreating taking comfort from some deceleration in weekly inflation numbers. During the year, while short-term yields hardened on account of huge liquidity deficit in the system, the long-term yields remained largely stable.

Key Regulatory Developments

There were a number of key regulatory developments in the Indian financial sector during fiscal 2011 :

- ◆ In December 2010, RBI imposed a regulatory ceiling on the loan-to-value ratio in respect of housing loans at 80%. However, small value loans of less than Rs. 2.0 million were permitted to have a loan-to-value ratio not exceeding 90%. Further, the risk weight for residential loans of Rs. 7.5 million and above was set at 125% irrespective of the loan-to-value ratio, as against the earlier mandated 100% for a loan-to-value ratio of above 75%. With respect to loans outstanding under special housing loan products with lower interest rates in initial years, the standard asset provisioning was increased from 0.4% to 2.0%.
 - ◆ In February 2011, RBI issued guidelines de-classifying loans sanctioned to non-banking finance companies (NBFCs) for on-lending to individuals and entities against gold jewellery as direct agriculture lending under priority sector requirements. Similarly, investments made by banks in securitised assets originated by NBFCs, where the underlying assets were loans against gold jewellery and purchase/assignment of gold loan portfolio from NBFCs were also made ineligible for classification under agriculture sector lending.
 - ◆ RBI advised banks to henceforth not issue Tier-1 and Tier-2 capital instruments with step-up options so that these instruments remain eligible for inclusion in the new definition of regulatory capital under the Basel III framework.
 - ◆ In May 2010, RBI permitted infrastructure NBFCs to avail of external commercial borrowings for on-lending to the infrastructure sector. Further, in July 2010, guidelines were issued to permit take-out financing arrangement through the external commercial borrowing route for refinancing of rupee loans availed for financing infrastructure projects particularly in the areas of seaports, airports, roads and power. In the Union Budget for fiscal 2012, the limit for investment by Foreign Institutional Investors (FIIs) in corporate bonds with residual maturity of over five years issued by companies in infrastructure sector, was raised by US\$ 20 billion, taking the limit to US\$ 25 billion.
 - ◆ In June 2010, the IRDA introduced revisions to the regulations governing unit linked insurance products such as increase in the lock-in period from three years to five years, increase in minimum mortality cover, cap on surrender and other charges and minimum guaranteed return on pension annuity products.
 - ◆ In March 2011, IRDA conducted an audit of the third party motor insurance pool and concluded that the pool reserves needed to be enhanced significantly.
 - ◆ In June-August 2010, Securities Contracts (Regulation) Rules were amended to the extent that for the purpose of listing of securities on a recognized stock exchange :
 - i. At least 25 % of each class or kind of equity shares or debentures convertible into equity shares issued by the company was offered and allotted to public in terms of an offer document; or
 - ii. At least 10 % of each class or kind of equity shares or debentures convertible into equity shares issued by the company was offered and allotted to public in terms of an offer document if the post issue capital of the company calculated at offer price is more than four thousand crore rupees.
- Every listed company shall maintain public shareholding of at least twenty five per cent. Any listed company which has public shareholding below twenty five percent, shall increase its public shareholding to at least 25% within a period of 3 years.
- ◆ SEBI discontinued the EDIFAR system w.e.f from April 1, 2010.
 - ◆ SEBI advised all Stock Exchanges to make the Annual Reports for the financial year 2009-10 onwards, available on their respective websites.
 - ◆ During the year, Equity Listing Agreement was amended as to the submission of Auditors' Certificate with Scheme of amalgamation/ merger/reconstruction, etc.; timelines for submission of various financial results; IFRS convergence; peer review certificate by auditors; disclosure of assets and liabilities in half yearly financial statement; requirement of appointment of CFO by Audit Committee; treatment of unclaimed shares; pre-announcement of fixed date of payment of dividend and credit of bonus shares; additional submissions of shareholding pattern prior to listing and in case of change of 2% of paid-up capital; minimum public shareholding; maintenance of functional website containing required information; disclosure of agreement/ s with media companies.
 - ◆ In November 2010, MCA revised the additional fees for filing of documents in case of delay; allowed re-opening/revision of annual accounts after adoption in exceptional circumstances.
 - ◆ In February 2011, MCA provided exemption from attaching annual accounts of subsidiary companies with the holding company; amended Schedule XIII as to managerial remuneration.
- (Source: Various reports and websites of MCA, RBI, SEBI, IMF, Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Bloomberg, and other print and electronic media.)*

(B) OPPORTUNITIES & THREATS

FY 2010-11 was marked with consolidation in economic growth with GDP growth for the year pegged at a healthy

8.6 per cent. Even as the index of industrial production (IIP) remained highly volatile especially in the second half of the year, other indicators, such as direct and indirect tax collections, merchandise exports and bank credit, reflected strong momentum in growth. Lead indicators of services sector activity also remained robust. Inflation remained a dominant concern for the economy and the central bank hiked the policy rates seven times during the fiscal to fight the inflationary pressures which persisted throughout the year.

In FY 2011-12, the growth outlook has somewhat been clouded over by surge in global energy prices and high inflation, which will prompt RBI to remain vigilant as far as monetary stance is concerned. The Asian Development Bank (ADB) in April scaled down India's economic growth to 8.2 per cent for FY 2011-12 from its earlier estimate of 8.7 per cent projected in September last year. Aggregate demand might also tend to get squeezed on account of RBI's tight monetary policy stance. Inflation faces a potential upside risk with global crude oil prices touching fresh highs post credit crisis period. With regard to fiscal position of the nation, swelling of the subsidy bills on account of rise in global oil prices may result in overshooting of fiscal deficit target of 4.6 per cent for FY 2011-12.

Under the above economic backdrop, the domestic bond markets may have to operate amid monetary tightening environment as RBI may hike policy rates by 50 basis points to 75 basis points in order to quell inflationary pressures. The inflation outlook remains critical with a discernible pick up in non-food manufacturing inflation and crude oil prices persistently trading above the USD 100 a barrel mark. With regard to G-sec supplies, though the borrowings for the year at Rs. 417000 crore look easy to be absorbed, there might be a potential upside risk to the borrowings figure if the government fails to meet the fiscal deficit target. The disinvestment target of Rs. 40000 crore too looks stretched given the current volatility in the equity markets. The disinvestment proceeds holds an upside pressure on the fiscal deficit target, which may not augur well for the domestic bond market. The yield curve which remained largely flat during FY 2010-11, is expected to steepen somewhat, as short-term rates may trend downwards starting next fiscal owing to improvement in liquidity. The budget has provisioned for an Open Market Operations (OMO) aggregating Rs. 20000 crore. Given the projected market borrowing for FY 2011-12 and lower G-sec redemptions compared to last year, it is likely that the OMO could be employed during the year to smoothen out the borrowing schedule. Trading opportunities may be ample with sideways movement in yields giving opportunity to enter and exit from securities.

The Reserve Bank of India (RBI) has now pegged the base-line GDP growth for this fiscal at 8.00%, considerably lower than that suggested during the budget announcements which were close to 9.00%. Doing away with its calibrated baby steps approach, RBI increased the repo rate by 50 basis points to rein in inflation, which at 9.00% is far higher than the RBI's comfort zone of 6.00%. Though RBI expects inflation to remain at the elevated level of 9.00% during the

first half of the current fiscal, its objective is to bring it down to 6.00% by March 2012. It is not clear how the inflation rate will come down since the factors igniting inflation are supply side factors which can only be corrected with investments enhancing productivity, both in agriculture and infrastructure. Nevertheless, a key outcome of liquidity tightening measures by the RBI has been a firming up of interest rates. The RBI in its policy statement on 3 May 2011 has clearly indicated that inflation control in the current environment takes precedence over growth.

Higher international crude prices, rising interest rates, unabated domestic inflation and possible slippages in the fiscal deficit forecasts pose substantial down-side risks for equity investors. The markets were surprisingly resilient, till the end of Q1 (2011-12), given the negative news both on the economic and political platform. Post the RBI policy announcement, the market has begun the process of discounting the impact of the factors which will have a negative impact on earnings growth in FY 2011-12.

Poor allocation of domestic savings towards equities remains an area of concern. The net outflows from equity mutual fund schemes in FY 2009-10 was Rs. 10,235 crores which increased to Rs. 20,181 crores in FY 2010-11, mainly due to redemptions. Investments through traditional life insurance products, specially from LIC, is the major source of allocation for domestic equity savings. FII inflows are the major source of capital for equities. In FY 2009-10, FII inflows into the Indian equity markets was USD 25 billion which increased to USD 32.2 billion in FY 2010-11.

Prospects for Fiscal 2012

The fundamental drivers of India's medium term growth prospects remain intact. However, global developments, in conjunction with Indian policy responses to the concerns noted above, are likely to make 2011-12, a challenging year.

Global economic and financial conditions can be expected to remain adverse for some time, particularly in the aftermath of Japan's natural disaster. Once the current financial and commodity volatility subsides, deeper structural factors are likely to slow down economic growth, particularly in developed economies. Fiscal consolidation in Europe and an excess supply overhang in the US will probably moderate growth in the second half, together with increasing expectations of policy rate rises to quell rising inflation.

In India, inflationary pressures are likely to persist and hence result in a further, though moderate, monetary policy tightening, the impact of which will be increasingly visible, through rising borrowing costs, in fiscal 2012. The fiscal deficit is budgeted at 4.6% to GDP in fiscal 2012. There may be some slippage, though, as subsidy outgo (food, fertilizer, petroleum) may rise later in the year. The magnitude of market borrowings to fund the deficit is likely to keep longer term yields under pressure.

Increasing savings, high interest rates, an expected lower rise in currency driven by lower food prices, are likely to help deposits to grow stronger in fiscal 2012. However, in light of the inflationary pressures and rising interest rates, there is a likelihood that the credit growth momentum might slow in 2011-12.

(C) SEGMENT-WISE PERFORMANCE

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

(Rs. in Lacs)

Segment		Year ended 31 March 2011	Year ended 31 March 2010
Debt & Equity Market Operations	Net Revenue	1117	3145
	Expenses	404	950
	Profit before Tax	713	2195
Corporate Finance / Advisory Fees	Net Revenue	3226	1939
	Expenses	1684	968
	Profit before Tax	1542	971
Distribution Operations	Net Revenue	1442	1374
	Expenses	1180	1167
	Profit before Tax	262	207
Equity Broking	Net Revenue	1727	1327
	Expenses	2045	2245
	Profit before Tax	(318)	(918)

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 2010-11, the primary market remained subdued with 57 equity issues collected an aggregate of Rs. 46,181.65 crores as against previous year figure of Rs. 49,441 crores with 47 issues. Your Company handled 2 IPOs as Book-Running Lead Manager aggregating to Rs. 512.66 crores during FY 2010-11.

FY 10-11 was a low year for the Indian Debt Market pertaining to the interest rate scenario, yet we managed to mobilize Rs. 26002.75 Crores from the corporate bond market. Our noteworthy transactions for the year under report were of Rajasthan Raja Vidyut Prasaran Nigam Limited (Rs. 1202 Crores), Canara Bank (Rs. 2053.30 Crores), Elder Pharmaceuticals Limited (Rs. 123.00 Crores), Andhra Pradesh Power Finance Corporation Limited (Rs. 1053.30 Crores), Power Finance Corporation (Rs. 7099.50 Crores), Power Grid Corporation of India Limited (Rs. 6367.50 Crores), Rural Electrification Corporation Limited (Rs. 3150 Crores). On the term loan syndication front we

were associated with transactions like Bhavnagar Energy Company Limited – A 500MW Thermal Power Project coming up in Gujarat (Rs. 2994 Crores), Bajaj Infrastructure Development Company Limited – a project management company owned by Bajaj Group (Rs. 100 Crores), Prakash Industries Limited – Setting up a 100MW Captive Thermal Power Project (Rs. 280 Crores).

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.

The abolition of entry loads from mutual investments in August 2009 adversely impacted the infusion of fresh inflows into the equity mutual fund schemes in FY 10-11. Despite favourable conditions in the equity markets, the fund industry saw an erosion of 1.8 million equity folios. About 1400 crores went out of the equity mutual fund schemes. These figures clearly tell that mutual fund schemes are a push product and therefore, non-availability of advice due to loss of commercial interest affected inflows adversely. Your Company also felt the similar problems as it was increasingly getting difficult to attract customers in equity segment. Most of our customers diverted their fresh money to gold and income funds particularly the fixed maturity plans. However, due to the product diversification, your Company was able to maintain its topline and bottomline growth. In the newly introduced infrastructure bonds segment, your Company was able to notch top honours in terms of mobilization in most of the offerings that came its way.

The market regulator SEBI has decided that in order to help mutual funds penetrate into retail segments in smaller towns, the distributor would be allowed to charge Rs. 100/- as transaction charges per subscription for investments higher than Rs. 10,000/- Additionally, a sum of Rs. 50/- would be allowed to be charged from the first-time mutual fund investors. This belated step, though not very significant, would still help your Company in boosting its topline and bottomline from the mutual fund segment.

Equity Broking

We offer equity broking services to Retail and Institutional clients in the cash and derivative segments. These clients include mutual funds, banks, financial institutions, insurance companies, and FIs.

The brokerage yields of the capital market intermediaries were under immense pressure during FY 10-11. This was mainly due to stock market volumes which are more skewed towards low brokerage yield F&O segment than cash and delivery segment (which is relatively higher brokerage yield segment). Apart from that, intense competition had also resulted into a steady compression of brokerage commissions across the industry. The profitability of the major players is already down and high operating capital requirements has put the survival of small brokers like your Company at stake. Realizing this, your Company has shifted its focus on HNI clients and based on primarily advisory platform, cost cutting measures adopted by your Company during the year, the brokerage yield of your Company was better than the industry, resulting into reducing the losses.

The outlook of the industry in current year looks bleak on account of high interest rates regime, high inflation, global slowdown, reduction in GDP growth, and volatility in the market. Accordingly, in the current year, your Company's endeavour is to break even.

(D) OUTLOOK & STRATEGY

Outlook

While the long-term India growth story is intact, there are short-term headwinds in the form of high inflation, fuel prices and interest rates. Upside risks to fiscal deficit target also remain. The recent Monetary Policy pronouncements from RBI for FY12 also highlight some of these factors which have the potential to derail our growth. The outlook for the GDP growth in fourth quarter of FY11 is also subdued. Although investment activity was tepid, the government thrust on approval process for investment projects augurs well for investment activity in the country. The financial services sector has shown rapid growth over the medium to long term in the past. The debt market in India continues to develop slowly with intermittent signs of recovery. The government and regulators continue to implement various structural reforms, though gradually. However, with emerging markets outperforming the developed economies in the recent past, we should start seeing encouraging results in the short-to-medium term.

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, depository services, portfolio management, commodity broking, NBFC (Non-Banking Finance Company) activities, private equity, financial 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, 2011, your Company earned a total income of Rs. 7846.78 Lacs, as against previous year's Rs. 7932.45 Lacs. As per the Consolidated Accounts, the total income was Rs. 10029.33 Lacs, as against the previous year's Rs. 8297.07 Lacs. The net profit of the Company for the year was Rs. 656.25 Lacs (8.36% of total income) as compared to Rs. 1077.57 Lacs (13.58% of total income) in the previous year. As per the Consolidated Accounts, the net profit for the year was Rs. 955.80 Lacs (9.53% of total income) as compared to Rs. 1097.93 Lacs (13.23% of total income) in 2009-10.

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 409 on 31 March 2011. The Company has a young and vibrant team (average age: 32 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. During the year under Report, the Ministry of Corporate Affairs, vide General Circular No. 2/2011 (No. 5/12/2007-CL-III) dated 8th February 2011 granted general exemption from attaching the balance sheet/s of the subsidiaries provided prescribed conditions are complied with by the Holding company.

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

Besides, the details of the accounts of individual subsidiary companies are also put on your Company's website www.almondzglobal.com

(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.

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 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 2010-11 which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges contains details relating to the aforesaid year.

I. Company's Philosophy on Corporate Governance

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

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

II. Board of Directors

- i) At the end of the year under Report, the Company had 10 (Ten) Directors with a Non-Executive Chairman. Of the Ten Directors, Seven (i.e. 70%) are Non-Executive and Independent Directors and Three (i.e. 30%) 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. Further, on 10 February 2011, two more non-executive & Independent Directors namely

Mr. David John Wilson and Mr. Sanjay Kumar Tiwari were appointed as Additional Directors on Board of the Company. However, w.e.f. 8 August 2011, Mr. David John Wilson has resigned from the directorship of the Company. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors to the Company.
- iii) The names and categories of the Directors on the Board, their age, their attendance at Board Meetings held during the year and the number of Directorships in other companies and Committee Chairmanships/ Memberships held by them are given herein below.

(A) Composition of Board

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

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

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) ⁺	
					Member	Chairman
1.	Atul Kumar Shukla	Non-Executive & Independent Chairman	65	4	3	2
2.	Sita Ram Bansal	Non-Executive & Independent Director	66	1	NIL	2
3.	Krishan Lall Khetarpaul	Non-Executive & Independent Director	68	1	1	NIL
4.	Qais M.M. Al-Yousef *	Non-Executive & Independent Director	37	NIL	NIL	NIL
5.	Krishna Kumar Gupta *	Non-Executive & Independent Director	57	1	NIL	NIL
6.	Surender Kumar Sood	Non-Executive & Independent Director	63	NIL	NIL	NIL
7.	Shiv Karan Singh ®	Non-Executive & Independent Director	60	NIL	NIL	NIL
8.	David John Wilson #	Non-Executive & Independent Director	64	NIL	NIL	NIL
9.	Sanjay Kumar Tiwari §	Non-Executive & Independent Director	46	NIL	NIL	NIL
10.	Vinay Mehta	Managing Director	57	4	NIL	1
11.	Navjeet Singh Sobti	Executive Vice Chairman	44	6	NIL	NIL
12.	Jagdeep Singh	Wholetime Director	46	4	2	NIL

[^] Does not include private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

⁺ Includes membership / chairmanship of Audit Committee and Shareholders' Grievance Committees of the Board of Directors.

* Resigned from the directorship of the Company w.e.f. 4 February 2011.

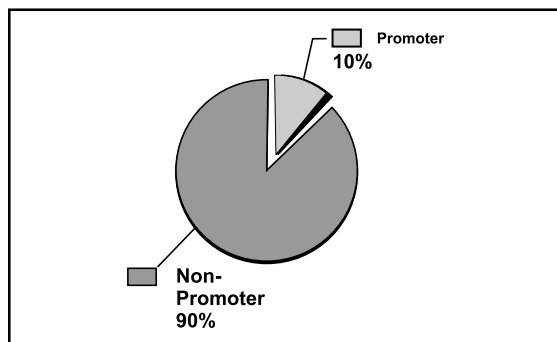
@ Appointed as an Additional Director on Board of the Company w.e.f. 28 May 2010.

Appointed as an Additional Director Board of the Company w.e.f. 10 February 2011. However, resigned from the directorship w.e.f. 8 August 2011.

\$ Appointed as an Additional Director Board of the Company w.e.f. 10 February 2011.

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

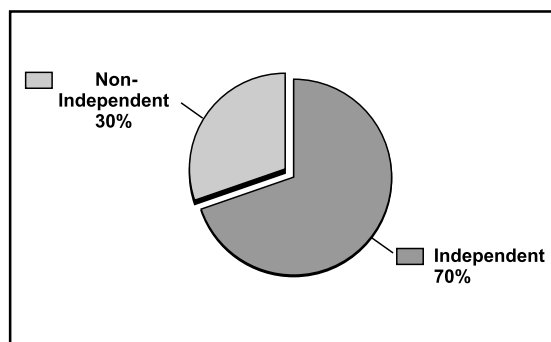
As to the limitation on the number of Committee positions a director can held at a time, i.e. a director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he/she is a director, the said requirement is complied, as evident from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



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

Profile of Board :

Atul Kumar Shukla (M.Sc.), Non-Executive & Independent Chairman, aged 65 years, is the Former Chairman of Life Insurance Corporation of India and has experience of around 42 years. He had held positions of Chairman / Non-Executive Chairman / Member / Director of many companies, some of them



being LIC Housing Finance Ltd., LIC (International) B.S.C. (C) Bahrain, National Stock Exchange of India Ltd., National Commodities & Derivatives Exchange Limited, General Insurance Corporation of India, IL & FS Limited, Gujarat State Financial Corporation, Larsen & Toubro Ltd., Mittal Corp Ltd., India Infoline Trustee Co. Ltd., Gammon India Ltd., Dev Property Development Plc.

Navjeet Singh Sobti (FCA), Promoter and Executive Vice Chairman, aged 44 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 57 years, is a seasoned Banker having around 34 years of vast experience in various banks of repute, viz. UCO Bank, Bank of Punjab Ltd. He, in his last appointment, had acted as the Group Head – Risk with Centurion Bank of Punjab Ltd.

Jagdeep Singh (FCA), Wholetime Director, aged 46 years, has more than 21 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 66 years, having more than 38 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 FILs, Indian / Overseas Mutual Funds, planning and documentation for lease financing, factoring, etc., enlistment of shares / bonds, representing Indian Companies before RBI for various approvals pertaining to NRI/Foreign Investment in India, valuation of securities and/or undertaking as a whole, family settlements/commercial arrangements, and property & portfolio management. Presently, he is the Senior Partner of S. R. Bansal & Co., Chartered Accountants. He is the Member of Institute of Internal Auditors (USA), Member of Association of Certified Fraud Examiners (USA), worked with M/s S. R. Batliboi & Co. (now Ernst & Young, an international consultancy firm), conducted special economics in depth investigations, due diligence w.r.t. to takeovers and collaboration arrangements, besides his association with M/s Khaitan & Co., Solicitors and Advocates. He had been the Government Nominee on the Council of the Institute of Company Secretaries of India.

Krishan Lall Khetarpaul (M.A. Economic Statistics), Non-Executive & Independent Director, aged 68 years, is a seasoned banker having more than 38 years of experience with the Reserve Bank of India. He joined the Reserve Bank of India in 1965 as a Probationary Officer and retired from the services in the year 2003

as its Executive Director. Thereafter, he worked as the Director and CEO of Punjab National Bank Institute of Information Technology.

Surendar Kumar Sood (Retd. IAS), Non-Executive & Independent Director, aged 63 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 60 years, is having 34 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.

Sanjay Kumar Tiwari (CA), Non-Executive & Independent Director, aged 46 years, is a Chartered Accountant with accreditations from the Institute of

Chartered Accountants of India and a graduate in Commerce. He has 25 years of experience in Industries ranging from Textile, Cement, Tyre & Engineering to FMCG. He has in-depth knowledge of Middle East, South East and South Asian Markets. His core expertise has been to monitor and manage the operations of varied industries from financial and commercial viewpoint. He has also been instrumental in turning around loss making companies in countries i.e. Malaysia, Egypt, India and Middle East.

(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, 4 (Four) Board Meetings were held on 28 May 2010 (113th), 13 August 2010 (114th); 11 November 2010 (115th); and 10 February 2011 (116th). 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 in compliance with the provisions of the Companies Act, 1956 and the requirements of the Listing Agreement.

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

Name & Designation of Director	Date of Board Meeting & Attendance				Annual General Meeting
	28 May 2010 (113th)	13 August 2010 (114th)	11 November 2010 (115th)	10 February 2011 (116th)	28 September 2010 (16th)
Atul Kumar Shukla, Chairman	Present	Present	Present	Present	Absent
Sita Ram Bansal, Director	Present	Present	Present	Present	Present
Krishan Lall Khetarpaul, Director	Present	Present	Present	Present	Absent
Qais M. M. Al-Yousef, Director [@]	Leave of Absence	Leave of Absence	Leave of Absence	N.A.	Absent
Krishna Kumar Gupta, Director [@]	Present	Present	Present	N.A.	Absent
Surendar Kumar Sood, Director	Leave of Absence	Leave of Absence	Present	Present	Absent
Vinay Mehta, Managing Director	Present	Present	Leave of Absence	Present	Absent
Navjeet Singh Sobti, Executive Vice Chairman	Present	Present	Leave of Absence	Present	Absent
Jagdeep Singh, Wholetime Director	Leave of Absence	Leave of Absence	Present	Leave of Absence	Present
Shiv Karan Singh, Director	Present	Present	Present	Present	Absent
David John Wilson, Director [#]	N.A.	N.A.	N.A.	Present	N.A.
Sanjay Kumar Tiwari, Director ^{\$}	N.A.	N.A.	N.A.	Present	N.A.

[@] Resigned from the Directorship of the Company w.e.f. 4 February 2011

[#] Appointed as an Additional Director of the Company w.e.f 10 February, 2011, however, resigned from directorship of the company w.e.f. 8 August 2011

^{\$} Appointed as an Additional Director of the Company w.e.f 10 February, 2011

(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 generally 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 28, 2010 and it was attended by Mr. Sita Ram Bansal, Chairman of the Audit Committee.
- v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below :

(A) Qualified and Independent Audit Committee

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

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

The Audit Committee of your Company comprises of all Non-executive & Independent Directors and all of them are financially literate in accordance with Explanation -1 under Sub-clause II (A) of the Corporate

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

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

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

(B) Meeting of Audit Committee

During the Financial Year under Report, the Audit Committee meetings were held on 28 May 2010, 13 August 2010, 11 November 2010 and 10 February 2011.

For the approval of the Annual Accounts of the Company for FY'10-11, the meeting of the Audit Committee was held on 28 May 2011. The attendance of the members of the Committee during the Financial Year under Report is as under :

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

The necessary quorum was present at all the meetings.

(C) Review of information by Audit Committee

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

During the year under Report, all the related party transactions were well accounted for and entered in the Register maintained 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) One meeting of the Remuneration Committee was held during the year on August 31, 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 Attended / Held
Sita Ram Bansal (Chairman)	Non-Executive & Independent	1/1
Atul Kumar Shukla (Member)	Non-Executive & Independent	1/1
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent	1/1

- v) The Chairman of the Remuneration Committee, Mr. Sita Ram Bansal, was present at the last Annual General Meeting of the Company held on 28 September 2010.
- 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, 2011 :

a) Non-Executive Directors :

Name	Sitting Fees (Rs. Lacs)
Atul Kumar Shukla	0.80
Sita Ram Bansal	1.00
Krishan Lall Khetarpaul	0.80
Qais M. M. Al-Yousef *	0.00
Krishna Kumar Gupta *	0.30
Surendar Kumar Sood	0.20
Shiv Karan Singh @	0.40
David John Wilson #	0.10
Sanjay Kumar Tiwari §	0.10

* Resigned w.e.f. 4 February 2011

@ Appointed on Board on 28 May 2010

Appointed on Board on 10 February 2011, however, resigned w.e.f. 8 August 2011

§ Appointed on Board on 10 February 2011

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	10339922/-	N. A. *	18 May 2011 @
Vinay Mehta, Managing Director	8286300/-	Nil	18 May 2011 @
Jagdeep Singh, Wholtime Director	4846290/-	Nil	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'

@ Re-appointed w.e.f. 19 May 2011 till 18 May 2016

DELIBERATELY LEFT BLANK

- viii) Details of Shares of the Company held by the Directors as on March 31, 2011 (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.
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	Nil	N. A.
David John Wilson, @ Director	Nil	N. A.
Sanjay Kumar Tiwari, § Director	Nil	N. A.
Vinay Mehta, Managing Director	Nil	N. A.
Navjeet Singh Sobti, Executive Vice Chairman	50700	0.20%
Jagdeep Singh, Wholetime Director	292700	1.15%

Resigned w.e.f. 4 February 2011

* Appointed on Board on 28 May 2010

@ Joined the Board on 10 February 2011, however, resigned w.e.f. 8 August 2011

§ Joined the Board on 10 February 2011

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) Four meetings of the Committee were held during the year on 5 May 2010, 24 July 2010, 25 October 2010 and 13 January 2011.

DELIBERATELY LEFT BLANK

- 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 Attended / Held
Sita Ram Bansal, Chairman	Non-Executive & Independent	4/4
Jagdeep Singh, Member	Wholetime Director	4/4
Vinay Mehta, Member	Managing Director	4/4

- iv) The minutes of the meetings of the Committee are placed in the subsequent Board Meetings held thereafter. The 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	39	39	Nil

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

VI. Other Committees

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

i) Management Committee

The Company is having a Committee of Executive Directors under the name and style "Management

Committee" for taking decisions on routine matters in ordinary course of business with a defined set of roles.

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher. During the year under review, fifteen meetings of the Committee were held on 22 April 2010, 28 April 2010, 24 May 2010, 31 May 2010, 05 June 2010, 03 July 2010, 21 July 2010, 07 September 2010, 7 October 2010, 24 November 2010, 18 December 2010, 28 December 2010, 17 January 2011, 22 February 2011, and 29 March 2011, and the composition of the Committee and attendance of the Committee members at these meetings was as under :

Name / Composition	Category / Designation	No. of Meetings Attended / Held
Vinay Mehta, Chairman	Managing Director	14/15
Jagdeep Singh, Member	Wholetime Director	15/15
Navjeet Singh Sobti, Member	Executive Vice Chairman	11/15

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, two meetings of the Committee were held on 16 June 2010 and 29 June 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 Attended / Held
Navjeet Singh Sobti, Chairman	Executive Vice Chairman	1/2
Jagdeep Singh, Member	Wholetime Director	1/2
Vinay Mehta, Member	Managing Director	2/2

iii) **Committee for Further Issue of Shares**

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

The powers of the Committee are :

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

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher. During the year under report, no meeting of the Committee was held.

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

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

iv) **Compensation Committee**

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

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

- To frame various Plan Series under the Scheme from time to time;
- To determine the number of Options to be granted per employee and in aggregate and the times at which such Grants shall be made;
- To lay down the conditions under which Options Vested in Optionees may lapse in case of termination of employment for misconduct etc.
- To lay down the conditions under which Options Vested in Optionees may lapse in case of voluntary surrender of options by Optionees.
- To determine the Exercise Period within which the Optionee should Exercise the Options and that Options would lapse on failure to Exercise the same within the Exercise Period.

- 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 28 May 2010, 13 August 2010, and 8 October 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	0/3
Vinay Mehta, Member	Managing Director	2/3

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	Wholetime Director
Vinay Mehta, Member	Managing Director

vi) Limited Review Committee

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

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

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

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

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

VII. Management Discussion & Analysis Report

A Management Discussion and Analysis Report is forming part of this Annual Report containing Industry structure and developments, Opportunities and Threats,

Outlook, Risks and concerns, Internal control systems and their adequacy, Material developments in Human Resources/Industrial Relations front, including number of people employed.

During the year under report, the Senior Management of your Company did not have any material financial and commercial transactions where they have personal interest having a potential conflict with the interest of the Company at large.

VIII. Shareholders

Brief Particulars of Directors Appointed / Re-appointed

Pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement 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 and their shareholding in your Company (as on 31 March 2011) are hereunder :

Sanjay Kumar Tiwari (Aged 46 Years) is a Chartered Accountant with accreditations from the Institute of Chartered Accountants of India, and a graduate in Commerce. He has 25 years of experience in Industries ranging from Textile, Cement, Tyre & Engineering to FMCG. He has in-depth knowledge of Middle East, South East and South Asian Markets. His core expertise has been to monitor and manage the operations of varied industries from financial and commercial view point. He has also been instrumental in turning around loss making companies in countries i.e. Malaysia, Egypt, India and Middle East.

Mr. Tiwari is not holding any directorship in any other company. The shareholding of Mr. Tiwari in your Company is Nil.

Atul Kumar Shukla (Aged 65 Years) is the Former Chairman of Life Insurance Corporation of India and has experience of around 42 years. He had held positions of Chairman / Non-Executive Chairman/Member/Director of many companies, some of them being LIC Housing Finance Ltd., LIC (International) B.S.C. (C) Bahrain, National Stock Exchange of India Ltd., National Commodities & Derivatives Exchange Limited, General Insurance Corporation of India, IL & FS Limited, Gujarat State Financial Corporation, Larsen & Toubro Ltd., Mittal Corp Ltd., India Infoline Trustee Co. Ltd., Gammon India Ltd., Dev Property Development Plc.

Sr. No.	Name of the Company & Position	Name of the Committee	Position held
1.	Gammon India Ltd., Non-Executive Director	Shareholders / Investors Grievance Committee	Member
2.	Deccan Infrastructure & Land Holdings Ltd., Non-Executive Director	Audit Committee	Chairman
3.	India Infoline Trustee Company Ltd., Non-Executive Chairman	Audit Committee	Chairman
4.	India Venture Advisors Pvt. Ltd., Non-Executive Director	—	—
5.	Mittal Corp Ltd., Non-Executive Director	Audit Committee	Member
6.	Saa Wellness Pvt. Ltd., Promoter Director	—	—

The Shareholding of Mr. Shukla in your Company is Nil.

Surendar Kumar Sood (Aged 63 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.

Mr. Sood is not holding any directorship in any other company. The shareholding of Mr. Sood in your Company is Nil.

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
14th Annual General Meeting (2007-08)	24 Sep., 2008	09:30 A.M.	PHD Chamber of Commerce & Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016
15th Annual General Meeting (2008-09)	24 Sep., 2009	10:00 A.M.	
16th Annual General Meeting (2009-10)	28 Sep., 2010	3:30 P.M.	

b) Extraordinary General Meeting :

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

c) Special Resolutions passed during last three Annual General Meetings

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

Annual General Meeting	Particulars of Special Resolution /s passed
16th Annual General Meeting	<p>(1) Authorisation to the Company for making inter-corporate loans / deposits, making investments, giving guarantee, providing security, and acquiring various securities in group/other companies, to the extent of Rs. 300 Crores</p> <p>(2) Authorisation to the Company to create, grant, offer, issue and allot stock option to identified employee aggregating equal to or more than 1% of issued capital of the Company</p>
15th Annual General Meeting	<p>(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.</p>
14th Annual General Meeting	<p>(1) Confirmation of the appointment of Mr. Jagdeep Singh as the Wholetime Director of the Company w.e.f. 1 April 2008.</p> <p>(2) Confirmation to the payment of managerial remuneration to Mr. Jagdeep Singh on his appointment as the Wholetime Director of the Company</p> <p>(3) Authorisation to the Company for voluntary delisting of the equity shares of the Company from the Delhi Stock Exchange Ltd.</p> <p>(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</p>

ii) Postal Ballot :

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

(A) The Company sought approval of the members on 13 April 2010 to the following businesses as set out in the notice dated 5 March 2010 :

- 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);
- 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
- 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.

(B) The Company sought approval of the members on 12 October 2010 to the following businesses as set out in the notice dated 3 September 2010 :

- Approval to the increase in remuneration of Mr. Vinay Mehta, Managing Director of the Company, w.e.f. 1 August 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 August 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 increase in remuneration of Mr. Jagdeep Singh, Wholetime Director of the Company, w.e.f. 1 August 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. 3" in the following table); and

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	13039314 (99.9992%)	100 (0.0008%)	13039414
Resolution No. 2	13039314 (99.9992%)	100 (0.0008%)	13039414
Resolution No. 3	13039314 (99.9992%)	100 (0.0008%)	13039414

^{*} % 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, your Company complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the applicable regulations and guidelines of SEBI. Consequently, there were no strictures or material/significant 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 16th Annual General Meeting held on 28 September 2010 to answer the shareholders' queries.

XI. Means of Communication

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

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

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

Quarter / Financial Year ended	Unaudited/ Audited	Name of the Newspaper (version)	Date of Publication
June 2010 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	14 August 2010
September 2010 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	12 November 2010
December 2010 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	11 February 2011
March 2011 (Annual)	Audited	Business Standard (English & Hindi / Vernacular)	30 May 2011

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

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

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

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

XIII. General Shareholders' information

i) Annual General Meeting :

Date : 29 September 2011
Time : 12.30 P.M.
Venue : MPCU Shah Auditorium,
Shree Delhi Gujarati Samaj (Regd.),
2, Raj Niwas Marg, Civil Lines, Delhi - 110054

ii) Financial Calendar :

Approval of Unaudited Quarterly Results for the period ended :

- June 30, 2010 — August 13, 2010
- September 30, 2010 — November 11, 2010
- December 31, 2010 — February 10, 2011

Approval of Audited Financial Results for Financial Year ended :

- March 31, 2011 — May 28, 2011

Year ending : March 31

Dividend Payment : The Final Dividend, if declared, shall be paid / credited on or after 29 September 2011.

iii) Record Date :

16 September 2011

iv) Book Closure Dates :

17 September 2011 – 29 September 2011 for the 17th 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 29 September 2011 :

- a) 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, 16 September 2011; and
- b) 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, 16 September 2011.

Dividend in respect of shares to be allotted on exercise of stock options :

Any allotment of shares, after the Balance Sheet date but before the book closure date, pursuant to the exercise of stock options during the said period will be eligible for full dividend, if approved at the ensuing Annual General Meeting.

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 :

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

vii) Scrip Codes / Symbol :

Bombay Stock Exchange Limited : 531400
National Stock Exchange of India Limited : ALMONDZ

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 2010-11 at the Bombay Stock Exchange Limited :

Listing Fees have been duly paid to all the Stock Exchanges, wherever required, for the Financial Year 2011-12.

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

INE-326B01027 as allotted by NSDL & CDSL

ix) Depositories Connectivity :

- i) National Securities Depository Limited (NSDL)
ii) Central Depository Services (India) Limited (CDSL)
- Annual Custodial Fees have been duly paid to both the Depositories for the Financial Year 2011-12.

x) Corporate Identification Number :

L74899DL1994PLC059839

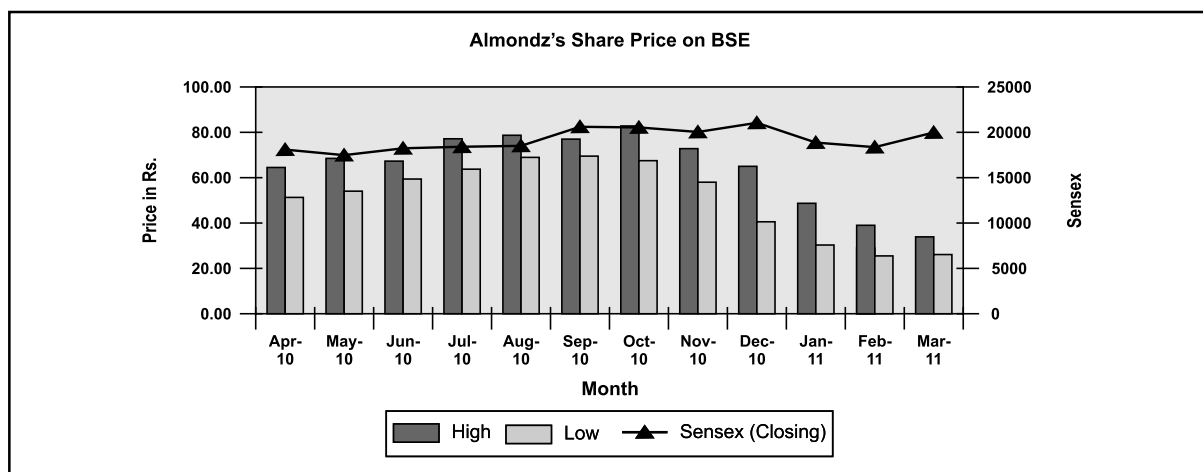
Bombay Stock Exchange Ltd. (BSE)

Month & Year	Month's High	Month's Low	Volume of Trades	Sensex (Closing)
April 10	64.50	51.30	1733840	17558.71
May 10	68.50	54.05	1179895	16944.63
June 10	67.30	59.40	714237	17700.90
July 10	77.15	63.75	979527	17868.29
August 10	78.70	68.95	612884	17971.12
September 10	77.00	69.50	866926	20069.12
October 10	82.80	67.50	1956585	20032.34
November 10	72.80	58.00	222976	19521.25
December 10	65.00	40.55	433707	20509.09
January 11	48.70	30.30	98465	18327.76
February 11	39.00	25.50	143442	17823.40
March 11	33.90	26.10	237059	19445.22

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

Source: www.bseindia.com

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2010-11 (based on month end closing).



- (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 2010-11 at the National Stock Exchange of India Limited :

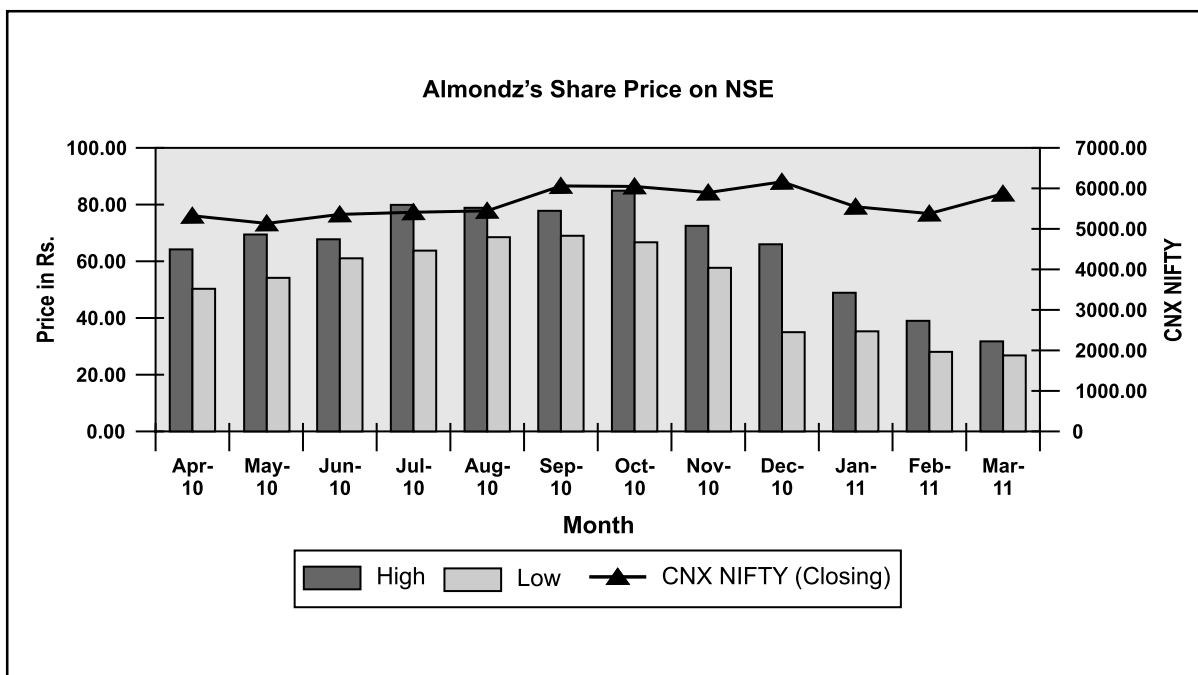
National Stock Exchange of India Ltd. (NSE)

Month & Year	Month's High	Month's Low	Volume of Trades	CNX NIFTY (Closing)
April 10	64.20	50.30	1448854	5278.00
May 10	69.45	54.15	1071201	5086.30
June 10	67.75	61.05	553771	5312.50
July 10	79.90	63.75	816876	5367.60
August 10	78.85	68.50	555158	5402.40
September 10	77.80	69.00	728047	6029.95
October 10	84.90	66.70	1923768	6017.70
November 10	72.50	57.70	260910	5862.70
December 10	66.00	35.00	595606	6134.50
January 11	48.90	35.30	166142	5505.90
February 11	39.00	28.05	115547	5333.25
March 11	31.75	26.80	119613	5833.75

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

Source: www.nseindia.com

The Chart below shows the comparison of your Company's share price movement on NSE vis-à-vis the movement of the NSE CNX Nifty for the year 2010-11 (based on month end closing).



xii) Reconciliation of Share Capital Audit :

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

xiii) Registrar and Transfer Agent (RTA) :

Name & Address :
 Beetal Financial & Computer Services (P) Ltd. (BEETAL)
 Beetal House, 3rd Floor, 99 Madangir,
 Near Dada Harsukhdas Mandir,
 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, beetalrta@gmail.com
 Website : www.beetalfinancial.com,

xiv) Places for Acceptance of Documents :

- Beetal Financial & Computer Services (P) Ltd.
 Beetal House, 3rd Floor, 99 Madangir,
 Near Dada Harsukhdas Mandir,
 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 2011, 97.62% of the shares of the Company are in the electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged either with the Company or with BEETAL at the above mentioned address.

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

xvi) Investors Grievance Redressal System :

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

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. 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. Also SEBI, vide its circular dated November 13, 2001 referred to above, has 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.

Investors who would like to avail ECS facility and are holding shares in physical form may send in their ECS Mandate Form, duly filled in to BEETAL. The ECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature records lodged with the Company.

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.

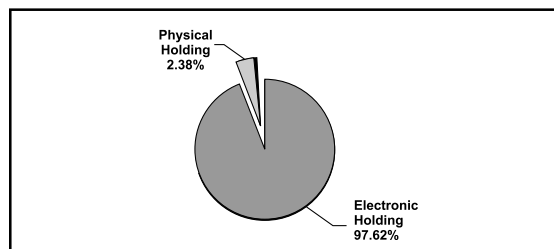
For further details, shareholders may write to BEETAL.

xx) Consolidation of Folios :

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

xxi) Status of dematerialization of shares as on March 31, 2011 :

	Electronic holdings (NSDL/CDSL)	Physical holdings	Total
No. of equity shares	24879255	605712	25484967
Percentage	97.62	2.38	100.00



xxii) Shareholding as on March 31, 2011 :

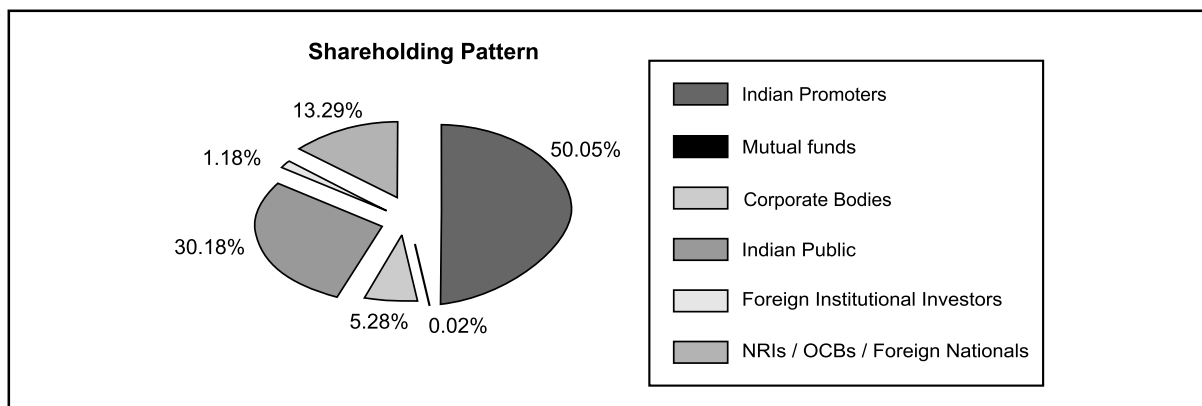
A. Distribution of shareholding as on March 31, 2011 :

Shareholding of Nominal Value of Rupees	No. of Shareholders	%age of Shareholders	Total No. of Shares	%age of Shareholding
1 to 5000	4921	88.06	752132	2.95
5001 to 10000	302	5.41	332052	1.30
10001 to 20000	155	2.77	370196	1.45
20001 to 30000	56	1.00	241371	0.95
30001 to 40000	15	0.27	84555	0.33
40001 to 50000	13	0.23	98388	0.39
50001 to 100000	50	0.89	589350	2.31
100001 and above	76	1.36	23016923	90.32
Total	5588	100.00	25484967	100.00

B. Categories of shareholders (as per Clause 35 of Listing Agreement) as on March 31, 2011 :

Category	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Promoters & Promoter Group	3	0.05	12754014	50.05
Mutual Funds	2	0.04	4500	0.02
Corporate Bodies	228	4.08	1346163	5.28
Indian Public & Others	5313	95.08	7692755	30.18
Foreign Institutional Investors	1	0.02	300000	1.18
NRIs / OCBs / Foreign Nationals	41	0.73	3387535	13.29
Total	5588	100.00	25484967	100.00

* At the end of the Financial Year 2010-11, 7000000 equity shares, held by one of the Promoters namely Almondz Capital & Management Services Ltd., were pledged / encumbered.



xxiii) Description of Voting Rights :

All shares issued by the Company carry equal voting rights.

xxiv) 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, 2011 :

Name of Shareholder	No. of shares held	%age shareholding
Almondz Capital & Management Services Ltd.	12653314	49.65
Al Anwar Holdings SAOG	3091500	12.13
Dilip Kumar Lakhi	1170117	4.59
Anant Lalchand Sanghvi	359536	1.41
Taib Securities Mauritius Ltd.	300000	1.18
Jagdeep Singh	292700	1.15
B. L. Mahajan	274363	1.08
Total	18141530	71.19

xxv) Equity History of the Company :

The Equity history of the Company up to March 31, 2011 :

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

xxvi) Due dates of Transfer of Unclaimed Dividend :

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

xxvii) Non-compliance on matters relating to Regulators :

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

xxviii) 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 97.62% of the Company's share capital are dematerialised as on March 31, 2011.

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.

xxix) Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity, as on 31 March 2011 :

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. 179969802/- consisting of 29994967 equity shares of Rs. 6/- each
3446800 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. 200650602/- consisting of 33441767 equity shares of Rs. 6/- each

xxx) 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

xxxi) 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

xxxiii) General Do's and Don'ts :

- Shareholders / Beneficial holders should quote their Folio No. / DP Id and Client Id, as the case may be, in all the correspondences with the Company.
- Shareholders/ Beneficial holders should mention their Contact Nos. / Fax Nos. and e-mail Id. Such E-mail ID shall be registered in the records of the Company.
- Shareholders are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company.

- Securities and Exchange Board of India (SEBI), by its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, and SEBI/MRD/DoP/SE/RTA/Cir-08/2010, dated 7th January, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.
- Shareholders are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- Investors holding shares in dematerialised form should send all the communications related to change in address or change in bank details to their Depository Participant.

xxxiv) Green Initiative in Corporate Governance :

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

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

GREEN INITIATIVE

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

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

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

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

beetalrta@gmail.com ; beetal@rediffmail.com

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

CERTIFICATE 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 2011, 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 8, 2011

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, 2011, 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, 2011.

New Delhi
August 8, 2011

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 and the cash flow statement for the financial year 2010-11 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for the establishing and maintaining Company's internal control system for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee that there were no deficiencies in the design and operation of internal controls that could adversely affect the Company's ability to record process, summarise and report financial data, and that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to the deficiencies. Internal controls are evaluated by the internal audit function in accordance with the scope specified by the Audit Committee. The internal audit function works with all levels of management and reports its findings to the Audit Committee of Board of Directors.
4. We have indicated to the Auditors and to the Audit Committee:
 - a) that there have been no significant changes in internal control over financial reporting during the year;
 - b) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - c) that there were no instances of significant fraud of which we have become aware that involve the management or other employees who have significant role in the Company's internal control system over financial reporting.
5. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct under Cluase 49 of the Listing Agreement, for the financial year 2010-11.

New Delhi
August 8, 2011

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 2011, 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, ('the Act') we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- (iii) the Balance Sheet, 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, 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 Act;
- (v) on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

(vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2011;
- (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;

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

Place : Gurgaon
Date : 28 May 2011

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 verification of stock-in-trade comprising shares, bonds and other securities at reasonable intervals. No material discrepancies noted on such verification.
- (b) The procedures for the verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of stock-in-trade.
3. (a) The Company has given 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 Act 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. 203,821,918 and the year-end balance of loan was Rs. 115,000,000. During the year, the Company has not granted any loan to any other party or firm covered in the register maintained under section 301 of the Act.
- (b) In view of above and according to information and explanations given to us, we are of the opinion that the terms and conditions of loan granted by the Company are not, *prima facie*, prejudicial to the interests of the Company.
- (c) In the case of loans granted to the Company listed in the register maintained under Section 301 of the Act, the borrower has been regular in paying the interest as stipulated in the agreement. The loan is repayable at a mutually agreed date between the Company and the borrower. The repayments have been made by the borrower as and when stipulated.
- (d) The Company has taken an unsecured loan from Almondz Finanz Limited (a subsidiary of the Company) covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 250,000,000 and the year-end balance of was 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 Act.
- (e) In our opinion, the rate of interest and other terms and conditions on which the loan has been taken from a company listed in the register maintained under section 301 of the Act are not, *prima facie*, prejudicial to the interest of the Company.
- (f) In the case of loan taken from a company listed in the register maintained under section 301, the Company has been regular in repaying the principal amount as demanded 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 stock-in-trade and sale of goods. We have not observed any material weaknesses in the internal control system during the course of our audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the business activities carried on by the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Service tax, Income-tax, Sales-tax, Wealth tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty and Custom duty. No amount of unpaid dividend as at 31 March 2011 was due to be deposited in Investor Education and Protection Fund during the year ended 31 March 2011.

There are no dues on account of Cess under section 441A of the Act 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 2011 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount	Assessment year to which amount relates	Forum where dispute is pending
The Finance Act, 2000	Service tax	3,221,550	2008 - 2010	Additional Commissioner, Service tax, New Delhi
The Finance Act, 2000	Service tax	1,297,359	2010 - 2011	Additional Commissioner, Service tax, New Delhi
The Finance Act, 2000	Service tax	1,272,868	2006 - 2010	Additional Commissioner, Service tax, New Delhi
The Income - tax Act, 1961	Income tax	4,054,709	2006 - 2007	CIT- (Appeals)
The Income - tax Act, 1961	Income tax	3,137,010	2008 - 2009	ACIT- TDS, New Delhi

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

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

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

Place : Gurgaon
Date : 28 May 2011

Jiten Chopra
Partner
Membership No. 092894

Balance Sheet as at 31 March 2011

(All amounts in Indian rupees)

	Schedule No.	As at 31 March 2011	As at 31 March 2010
Sources of Funds			
Shareholders' funds			
Share capital	1	152,909,802	151,930,602
Reserves and surplus	2	918,090,437	857,433,474
Advance against share warrants	18(2)	64,560,650	64,560,650
Loan funds			
Secured loans	3	257,177,581	229,739,369
Deferred tax liability (net)	18(11)	2,465,067	—
		<u>1,395,203,537</u>	<u>1,303,664,095</u>
Application of Funds			
Fixed assets	4		
Gross block		512,111,879	170,932,633
Less : Accumulated depreciation and impairment		(78,120,398)	(57,109,219)
Net block		<u>433,991,481</u>	<u>113,823,414</u>
Capital work in progress		1,234,808	933,725
		<u>435,226,289</u>	<u>114,757,139</u>
Deferred tax asset (net)	18(11)	—	1,678,849
Investments	5	226,151,948	75,965,118
Current assets, loans and advances			
Stock in trade	6	114,021,029	621,220,980
Sundry debtors	7	182,167,050	116,079,133
Cash and bank balances	8	301,332,109	244,742,406
Loans and advances	9	405,354,498	344,007,921
Other current assets	10	3,056,421	7,579,714
		<u>1,005,931,107</u>	<u>1,333,630,154</u>
Less : Current liabilities and provisions	11		
Current liabilities		248,148,754	203,030,276
Provisions		23,957,053	19,336,889
		<u>272,105,807</u>	<u>222,367,165</u>
Net current assets		<u>733,825,300</u>	<u>1,111,262,989</u>
		<u>1,395,203,537</u>	<u>1,303,664,095</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 Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Place : Gurgaon
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Profit and Loss Account for the year ended 31 March 2011

(All amounts in Indian rupees)

	Schedule No.	Year ended 31 March 2011	Year ended 31 March 2010
Income			
Advisory and consultancy fees		280,245,645	169,489,739
Broking activities	12	358,751,127	287,033,697
Net results in trading of shares / securities	13	111,424,786	321,476,208
Other income	14	34,256,147	15,245,117
		<u>784,677,705</u>	<u>793,244,761</u>
Expenditure			
Professional charges		68,883,583	30,915,322
Brokerage and commission		111,552,818	153,513,496
Personnel expenses	15	263,403,038	230,444,386
Administrative and other expenses	16	171,297,926	162,024,793
Finance charges	17	43,243,618	16,261,629
Depreciation		27,197,080	18,978,312
Diminution in the value of investment		—	8,618,595
Fixed assets written off		6,036,700	1,963,130
		<u>691,614,763</u>	<u>622,719,663</u>
Profit before prior period items and tax expense		93,062,942	170,525,098
Prior period items			
Expenses (net)	18(5)	555,686	1,222,007
Profit before tax		92,507,256	169,303,091
Tax expense :			
— Income-tax for earlier year		965,354	3,059,742
— Income-tax for current period		21,719,910	63,169,405
— Deferred tax charge / (credit)	18(11)	4,143,916	(4,729,357)
— Wealth tax		53,203	46,337
		<u>26,882,383</u>	<u>61,546,127</u>
Net profit for the period		65,624,873	107,756,964
Surplus brought forward from previous year		<u>330,293,976</u>	<u>234,979,596</u>
Surplus available for appropriation		395,918,849	342,736,560
Appropriations			
Dividend (including corporate dividend tax) for the previous year paid during the year		17,198	—
Proposed dividend		10,703,686	10,635,142
Corporate dividend tax		1,777,749	1,807,442
		<u>12,498,633</u>	<u>12,442,584</u>
Net surplus carried to Reserve and Surplus		383,420,216	330,293,976
Earnings per share (Face Value Rs. 6 each) (Refer to Note 12 of Schedule 18)			
— Basic		2.58	4.26
— Diluted		2.57	4.22
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 Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholtime Director

Place : Gurgaon
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Cash Flow Statement for the Year ended 31 March 2011

(All amounts in Indian rupees)

Particulars	Year ended 31 March 2011	Year ended 31 March 2010
A. Cash flow from operating activities		
Profit before extraordinary, prior period items and taxes	93,062,942	170,525,098
Adjustments for :		
Depreciation	27,197,080	18,978,312
(Profit) / loss on sale of fixed assets	3,064,147	6,487,573
(Profit) / loss on sale of investment	(186,829)	—
Fixed assets written off	6,036,700	1,963,130
Provision for employee benefits	10,817,436	1,882,124
Bad debts written off	7,121,195	5,454,548
Provision for doubtful debts	890,822	472,000
Excess provision for doubtful debts written back	(194,848)	(6,868,579)
Dividend received from other investments	(4,053,656)	(203,816)
Interest received	(28,264,848)	(6,363,182)
Accrued interest on securities held as stock	—	—
Diminution in the value of investment	—	8,618,595
Liabilities no longer required written back	(266,738)	(465,504)
Finance charges	43,243,618	16,261,629
	158,467,021	216,741,928
Less :		
Prior period expense	555,686	1,222,007
Operating profit before working capital changes	157,911,335	215,519,921
Adjusted for net changes in working capital :		
(Increase) / decrease in stock -in- trade	507,199,951	(371,035,124)
(Increase) / decrease in sundry debtors	(72,971,362)	(16,984,352)
(Increase) / decrease in loans and advances	(41,373,213)	(187,023,592)
Increase / (decrease) in current liabilities and provisions	38,635,995	54,169,317
Cash flow before extra ordinary items and tax	589,402,706	(305,353,831)
Taxes paid	(37,288,527)	(71,461,515)
Net cash generated from / (used in) operating activities (A)	552,114,179	(376,815,346)
B. Cash flow from investing activities		
Purchase of fixed assets	(358,842,301)	(14,746,781)
Payments for capital work in progress	(1,234,808)	30,069,860
Proceeds from sale of fixed assets	1,292,370	9,794,214
Fixed deposits (with a maturity more than 90 days) placed	(112,306,654)	(166,116,718)
Fixed deposits (with a maturity more than 90 days) matured	93,597,124	133,308,215
Investments made	(150,000,000)	(33,253,147)
Dividend received	4,053,656	203,816
Accrued interest on securities held as stock	—	—
Interest received	27,371,702	9,104,141
Net cash from / (used in) investing activities (B)	(496,068,911)	(31,636,400)
C. Cash flow from financing activities		
Proceeds from issue of share capital	8,509,923	—
Proceeds from issue of option warrants	—	64,560,650
Proceeds from secured long term borrowings	240,197,940	2,433,554
Repayment of secured long term borrowings	(1,979,738)	(18,132,581)
Proceeds (net) from unsecured long term borrowings	—	—
Net increase / (decrease) in cash credit facilities	(210,779,990)	217,421,253
Dividend paid and corporate dividend tax	(12,459,782)	(8,887,560)
Finance charges	(41,653,448)	(16,261,629)
Net cash from / (used in) financing activities (C)	(18,165,095)	241,133,687
Net cash inflows during the year (A+B+C)	37,880,173	(167,318,060)
Cash and cash equivalents (opening balance)	98,959,250	266,277,310
Cash and cash equivalents (closing balance)	136,839,423	98,959,250

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. 7,630,000 (Previous year Rs. 5,240,000) earmarked for settlement of certain liabilities and Rs. 125,000,000 (Previous year Rs. 110,543,156) pledged with stock exchanges.
- Cash and Cash equivalents include :**
Cash in hand
Balances with scheduled banks
— on current account
Cash and cash equivalents (closing balance)
Add : Fixed deposits (with a maturity more than 90 days) placed
Cash and bank balances at the end of the year

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm Registration No. 101248W

Jiten Chopra

Partner

Membership No. : 092894

Place : Gurgaon

Date : 28th May, 2011

Rajiv Lochan Jha
Company SecretaryPlace : New Delhi
Date : 28th May, 2011Govind Prasad Agrawal
Chief Finance OfficerPlace : New Delhi
Date : 28th May, 2011Vinay Mehta
Managing DirectorPlace : New Delhi
Date : 28th May, 2011Jagdeep Singh
Wholtime DirectorPlace : New Delhi
Date : 28th May, 2011

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

Schedules forming part of the accounts

(All amounts in Indian rupees)		
	As at 31 March 2011	As at 31 March 2010
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		
25,484,967 (Previous year 25,321,767) equity shares of Rs. 6 each fully paid-up	<u>152,909,802</u>	<u>151,930,602</u>
(Out of the above, 12,653,314 (previous year 12,653,314) equity shares are held by Almondz Capital and Management Services Limited)		
	<u>152,909,802</u>	<u>151,930,602</u>
Schedule 2 : Reserves and Surplus		
Securities premium		
Opening balance	380,881,250	380,881,250
Add : Addition during the period on fresh issue of 163,200 equity shares (Previous year : Nil) under employee stock option scheme	<u>7,530,723</u>	<u>—</u>
Closing balance	388,411,973	380,881,250
General reserve	17,000,000	17,000,000
Capital reserve		
Opening balance	16,538,250	8,000,000
Forfeiture of amount received against share warrants (Refer to note 2 of schedule 18)	<u>—</u>	<u>8,538,250</u>
Closing balance	16,538,250	16,538,250
Amalgamation reserve account	112,719,998	112,719,998
Profit and loss account		
Opening balance	330,293,976	234,979,596
Add : Profit during the year	65,624,873	107,756,964
Less : Appropriation for proposed dividend and corporate dividend tax	<u>(12,498,633)</u>	<u>(12,442,584)</u>
Closing balance	383,420,216	330,293,976
	<u>918,090,437</u>	<u>857,433,474</u>
Schedule 3 : Loan funds		
Secured Loans		
Loans and advances from banks		
Working capital loan	—	205,647,185
(Secured by bonds issued by Central / State Government(s), bonds / debentures issued by public sector units or reputed corporates and other government securities on the approved list of the lending Bank. The loan has also been guaranteed by a director)		
Bank overdraft	11,308,457	16,441,262
(Secured by pledge of fixed deposit with the lender bank)		
Term-loan		
— Secured against hypothecation of specific vehicles financed	3,554,954	2,536,603
— Secured by way of equitable mortgage of Company's specific properties at Kolkata (Previous year Kolkata, Bangalore, Coimbatore). The loan has also been guaranteed by a director	333,788	2,313,526
Other loans and advances		
Term-Loan		
— Secured against hypothecation of specific vehicles financed	2,973,000	2,800,793
— Secured by way of equitable mortgage of Company's specific property at Mumbai. The loan has also been guaranteed by a director	239,007,382	—
	<u>257,177,581</u>	<u>229,739,369</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 2010	Additions	Sale / Adjust- ment	As at 31 March 2011	As at 1 April 2010	For the year	Adjust- ments	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Tangible assets										
Official building	9,537,228	333,312,011	—	342,849,239	655,762	4,173,319	—	4,829,081	338,020,158	8,881,466
Lease hold improvements	4,767,118	—	—	4,767,118	3,016,999	953,424	—	3,970,423	796,695	1,750,119
Furniture and fittings	59,085,296	634,080	14,097,027	45,622,349	17,983,292	7,973,988	4,718,681	21,238,599	24,383,750	41,102,004
Computers and peripherals	40,588,999	2,130,323	1,297,976	41,421,346	19,508,874	6,635,687	1,048,017	25,096,544	16,324,802	21,080,125
Office equipments	20,485,835	4,530,065	799,834	24,216,066	3,465,612	1,270,889	236,348	4,500,153	19,715,913	17,020,223
Vehicles	14,406,845	5,674,695	304,281	19,777,259	3,568,755	1,600,677	162,187	5,007,245	14,770,014	10,838,090
Total	148,871,321	346,281,174	16,499,118	478,653,377	48,199,294	22,607,984	6,165,233	64,642,045	414,011,332	100,672,027
Intangible assets										
Software	21,723,472	11,477,190	—	33,200,662	8,849,957	4,558,644	—	13,408,601	19,792,061	12,873,515
Painting and sculpture	337,840	—	80,000	257,840	59,968	30,452	20,668	69,752	188,088	277,872
Total	22,061,312	11,477,190	80,000	33,458,502	8,909,925	4,589,096	20,668	13,478,353	19,980,149	13,151,387
Grand total	170,932,633	357,758,364	16,579,118	512,111,879	57,109,219	27,197,080	6,185,901	78,120,398	433,991,481	113,823,414
Previous year	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	

Capital work in progress (including capital advances)

1,234,808

933,725

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
Schedule 5 : Investments, long-term		
Investment in subsidiaries (unquoted, fully paid-up, at cost)		
Almondz Insurance Brokers Private Limited [918,000 (Previous year 918,000) equity shares of Rs.10 each]	18,633,147	18,633,147
Almondz Finanz Limited [20,000,000 (Previous year 5,000,000) equity shares of Rs.10 each]	200,000,000	50,000,000
Almondz Commodities Private Limited [1,490,000 (Previous year 1,490,000) equity shares of Rs. 10 each]	14,900,000	14,900,000
Almondz Retail Equity Limited [50,000 (Previous year 50,000) equity shares of Rs. 10 each]	500,000	500,000
	234,033,147	84,033,147
Less : Provision for diminution in the value of investments	8,618,595	8,618,595
	225,414,552	75,414,552
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 Nil (Previous year 40,578.001) units of Rs.10 each	—	550,566
Principal Cash Management Fund - Growth Fund 50,240,891 (Previous year Nil) units of Rs.10 each	737,396	—
Total	226,151,948	75,965,118
Notes :		
1. Aggregate market value of quoted investment in shares	91,625	55,250
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	235,070,543	84,883,713
4. Aggregate Net asset value of investment in units of mutual funds	766,385	721,883
Schedule 6 : Stock-in-trade		
Equity shares - quoted (at cost or net realisable value, whichever is lower)	9,408,940	195,434,654
Corporate, Central Government and State Government bonds	104,612,089	425,786,326
	114,021,029	621,220,980

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
Schedule 7 : Sundry debtors		
Secured, considered good		
— Outstanding for more than six months	—	—
— other debts	98,041,814	80,722,329
	98,041,814	80,722,329
Unsecured, considered good		
— Outstanding for more than six months	14,597,261	46,669
— other debts	69,527,975	35,310,135
	84,125,236	35,356,804
Unsecured, considered doubtful	3,649,473	2,890,016
Less : Provision for doubtful debts	3,649,473	2,890,016
	—	—
	182,167,050	116,079,133
Schedule 8 : Cash and bank balances		
Cash in hand	1,476,404	1,637,143
Balances with scheduled banks		
— on current account	135,363,019	97,322,107
— on deposit account	164,492,686	145,783,156
	299,855,705	243,105,263
— [Rs. 7,630,000 (Previous year Rs. 5,240,000) earmarked by the management for settlement of certain liabilities]		
— [Rs. 125,000,000 (Previous year Rs. 110,543,156) pledged with stock exchanges]		
	301,332,109	244,742,406
Schedule 9 : Loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received [Includes Rs. 4,732,590 (Previous year Rs. Nil) 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]	36,448,381	52,046,180
Loans to body corporate and others (refer note 14 of schedule 18)	218,289,000	179,550,691
Inter corporate deposits	12,500,000	12,500,000
Security deposits	98,729,367	79,000,185
Prepaid expenses	8,132,569	7,343,119
Balance with service tax authorities	4,624,295	1,493,785
Advance income tax and tax deducted at source [Net of provision of Rs. 85,854,670 (Previous year Rs. 63,169,405)]	26,630,886	12,073,961
	405,354,498	344,007,921
Schedule 10 : Other current assets		
Interest accrued on bonds / securities	181,048	5,597,487
Interest accrued on fixed deposits but not due	2,875,373	1,982,227
	3,056,421	7,579,714

Schedules forming part of the accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
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)	27,271,287	17,746,264
— Book overdraft	3,794,705	11,704,462
— Due to clients	126,930,197	115,736,990
	157,996,189	145,187,716
Advances and margin money from customers	7,393,407	252,000
Interest accrued on secured loan but not due	1,590,170	—
Expenses payable [Including salaries, wages & bonus payable Rs. 21,527,626 (Previous year Rs. 22,559,726)]	55,921,434	38,807,862
Security deposits received	1,991,965	2,491,600
Other liabilities [Including amount provident fund payable and employee state insurance payable of Rs. 218,453 (Previous year Rs. 182,642)]	21,203,716	14,386,578
Unpaid dividend*	2,051,873	1,904,520
	248,148,754	203,030,276
Provisions		
Provision for employee benefits	11,422,415	6,847,968
Provision for wealth tax	53,203	46,337
Proposed dividend [(including corporate dividend tax amounting to Rs. 1,777,748 (Previous year Rs. 1,807,442)]	12,481,435	12,442,584
	23,957,053	19,336,889
	272,105,807	222,367,165

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
2009 - 10	28 September 2010	28 September 2017

Year ended
31 March 2011

Year ended
31 March 2010

Schedule 12 : Broking activities

Arranger fee	39,628,961	17,799,417
Commission and brokerage from distribution operations	143,429,020	136,939,001
Commission and brokerage from equity stock broking operations	144,459,102	112,393,569
Portfolio management fee	3,001,707	—
Delayed payment charges	18,371,607	12,595,712
Interest on fixed deposits pledged with exchanges	8,468,448	7,305,998
[gross of tax deducted at source Rs. 846,846 (Previous year Rs. 791,482)]		
Brokerage income from institution	1,309,064	—
Wholesale debt market operation income	83,218	—
	358,751,127	287,033,697

Schedules forming part of the accounts

(All amounts in Indian rupees)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 13 : Trading in shares and securities		
Trading of shares		
Opening stock of shares	195,434,654	17,625,270
Add: Cost of shares purchased	207,245,815	200,439,493
	<u>402,680,469</u>	<u>218,064,763</u>
Less: Closing stock of shares	9,408,940	195,434,654
Cost of shares sold	393,271,529	22,630,109
Less: Sale of shares	427,049,259	34,474,714
	<u>33,777,730</u>	<u>11,844,605</u>
Profit/(Loss) on derivatives	(11,650)	(5,503,781)
Trading of securities/bonds		
Opening stock of securities	425,786,326	232,560,586
Add: Cost of securities purchased	12,842,098,433	25,687,653,736
	<u>13,267,884,759</u>	<u>25,920,214,322</u>
Less: Closing stock of securities	104,612,089	425,786,326
Cost of securities sold	13,163,272,670	25,494,427,996
Less: Sale of securities	13,240,856,436	25,808,196,927
	<u>77,583,766</u>	<u>313,768,931</u>
Accrued interest on securities held as stock	74,940	1,366,453
	<u>111,424,786</u>	<u>321,476,208</u>
Schedule 14 : Other income		
Interest received		
— On deposits with banks	2,526,905	2,720,920
[gross of tax deducted at source Rs. 253,766 (Previous year Rs. 446,695)]		
— On deposits with others	25,737,943	3,642,262
[gross of tax deducted at source Rs. 2,574,206 (Previous year Rs. 416,977)]		
	<u>28,264,848</u>	<u>6,363,182</u>
Dividend received from other investments	4,053,656	203,816
Provision for doubtful debts written back	194,848	6,868,579
Advertisement income	752,621	493,210
Liabilities no longer required written back	266,738	465,504
Bad debts recovered	35,934	154,775
Miscellaneous income	500,673	696,051
Profit on sale of investment (net)	186,829	—
	<u>34,256,147</u>	<u>15,245,117</u>
Schedule 15 : Personnel expenses		
Salaries, bonus and other allowances	246,304,667	222,736,083
Contribution to provident and other funds	1,634,403	1,066,420
Provision for employee benefits	10,817,436	1,882,124
[Including Rs. 8,839,339 towards provision for gratuity (Previous year Rs. 1,497,648)]		
Staff welfare	4,646,532	4,759,759
	<u>263,403,038</u>	<u>230,444,386</u>

Schedules forming part of the accounts

(All amounts in Indian rupees)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 16 : Administrative and other expenses		
Traveling and conveyance	11,078,319	8,786,646
Communication	18,906,427	17,875,722
Rent	39,591,685	47,948,736
Rates and taxes	2,625,100	754,350
Electricity, generator and water	9,686,998	8,875,851
Legal and professional charges	54,087,577	25,833,527
Printing and stationery	4,114,517	4,246,595
Business promotion	6,069,244	4,520,412
Advertisement	353,853	18,610,751
Computer maintenance	6,560,836	7,732,954
Office maintenance	7,357,720	4,766,513
Vehicle repair and maintenance	2,112,518	1,254,006
Charity and donations	1,487,202	661,811
Insurance	201,656	279,366
Bad debts written off	7,121,195	5,454,548
Provision for doubtful debts	890,822	472,000
Loss on error trades	—	167,712
Foreign exchange loss (net)	—	33,052
Fine and penalties	58,150	4,424
SEBI and stock exchange fee and charges	1,626,940	1,941,930
Loss on sale of fixed assets (net)	3,064,147	6,487,573
Interest on late deposit of government dues	170,956	1,023,972
Miscellaneous expenses	3,669,448	2,166,616
	180,835,310	169,899,067
Less : Recovery of expenses	(9,537,384)	(7,874,274)
	171,297,926	162,024,793

Schedule 17 : Finance charges

Bank charges	4,544,493	4,970,878
Interest		
— on working capital loans from bank	1,876,006	8,950,995
— on term loans	22,684,373	911,619
— intercorporate loans	14,138,746	1,428,137
	43,243,618	16,261,629

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 plan. 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 ended 31 March 2010.

During the year ended 31 March, 2010, the Company has made an 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, i.e. 25 March, 2010. 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 2011	As at 31 March 2010
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.	1,629,009	135,845
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	296,544
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007 and 31 March 2008.	3,221,550	3,221,550
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 till the financial year ended 31 March 2009.	1,272,868	—
5	Show cause notice for service tax demand in relation to the financial year ended 31 March 2010.	1,297,359	—
6	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company	800,000,000	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	2,723,937
9	Tax deducted at source demand raised by assessing officer in respect of financial year ended 31 March 2008 for Salary and non salary return	3,137,010	—
	Total	818,957,986	511,757,585

4. There is no capital commitment for the year ended 31 March 2011.

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

Particulars	Amounts (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Income		
Advisory and consultancy fees	50,000	—
Broking activities	109,773	—
Interest deposits with banks	1,049	2,654
Rent	242,877	—
Interest earned on securities	132,582	—
	536,281	2,654
Expenditure		
Brokerage and commission	113,234	20,869
Business promotion	50,575	—
Advertisement	93,648	—
Legal and professional charges	648,405	563,308
Communication expenses	47,853	361,283
Rent	—	205,224
Office maintenance	93,638	27,939
Computer maintenance	20,374	5,671
Printing and stationery	21,300	17,523
Staff welfare	2,917	500
Miscellaneous expenses	23	22,344
	1,091,967	1,224,661
Prior period expense (net)	555,686	1,222,007

6. 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 2011	Year ended 31 March 2010
Opening defined benefit obligation	11,525,653	9,437,089
Interest cost	979,681	754,967
Current service cost	4,260,170	3,294,052
Past service cost (vested benefits)	3,653,054	—
Actual return on plan assets	1,151,689	591,362
Benefits paid	(1,530,849)	(446)
Actuarial (gain)/loss on obligation	1,580,620	(1,960,009)
Recovery from Almondz Finanz Limited on account of deputation of employees	(482,497)	—
Closing defined benefit obligation	19,985,832	11,525,653

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

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Opening fair value of plan assets	10,028,005	7,376,032
Expected return	852,380	590,083
Contributions by employer	6,000,000	2,061,057
Benefits paid	(1,530,849)	(446)
Actuarial gain/(losses)	299,309	1,279
Closing fair value of plan assets	15,648,845	10,028,005

iii) Profit and Loss Account :

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Current service cost	4,260,170	3,294,052
Interest cost	979,681	754,967
Expected return on plan assets	(852,380)	(590,083)
Past service cost (vested benefits)	3,653,054	—
Actuarial (gain)/loss	1,281,311	(1,961,288)
Recovery from Almondz Finanz Limited on account of deputation of employees	(482,497)	—
Net benefit expense	8,839,339	1,497,648
Actual return on plan assets	1,151,689	591,362

iv) Balance sheet :

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Defined benefit obligation	19,985,832	11,525,653
Fair value of plan assets	15,648,845	10,028,005
Plan (Liability)	(4,336,987)	(1,497,648)

Note : Liability in respect of leave encashment at the end of the current year amounts to Rs. 7,085,428 (previous year Rs. 5,350,320).

V) Principal Actuarial Assumptions are as follows :

Particulars	Gratuity		Leave Incashment	
	Year ended 31 March 2011	Year ended 31 March 2010	Year ended 31 March 2011	Year ended 31 March 2010
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.25%	8.50%	8.25%	8.50%
Expected rate of return on plan assets	8.25%	8.50%	—	—
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%

7. Managerial Remuneration :

Particulars	Amount (Rs.)	
	Amount as at 31 March 2011	Amount as at 31 March 2010
Whole time directors and managing director :		
Salary and other allowances	18,925,200	16,897,200
Contribution to Provident and Other Funds	—	—
Expenditure on rent free accommodation	3,600,000	3,600,000
Value of perquisites	947,312	993,521
Sub-total	23,472,512	21,490,721
Less : Amount transfer to loans and advances being the excess managerial remuneration paid to directors held in trust by directors for the Company.	4,732,590	—
Total	18,739,922	21,490,721

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. 370,000 (Previous year : Rs. 365,000).
 - The remuneration paid by the Company to its executive directors during the year ended 31 March 2011 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 47.32 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 2011, the final outcome of the matter cannot presently be determined.
8. The Board of Directors at its meeting held on 11 November 2010 decided to dispose of the Company's stake in one of its subsidiaries namely Almondz Insurance Brokers Private Limited to the promoters of the company namely Almondz Capital and Management Services Limited. This is, however, subject to Insurance Regulatory Development Authority approval and completion of other formalities.

9. Details of income and expenditure in foreign currency :

Income earned in foreign currency :		Amount (Rs.)	
S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
1	Professional fee received	220,500	—
	Total	220,500	—

Expenditure incurred in foreign currency :		Amount (Rs.)	
S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
1	Travelling and conveyance	14,101	166,689
2	Membership and subscription	751,530	47,129
3	Books and periodicals expences	—	5,285
4	Legal and professional charges	23,463,040	—
5	Business promotion	41,298	—
	Total	24,269,969	219,103

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 2010*	31 March 2009**
1	3,091,500	1,298,430	927,450

* Amount of dividend net of tax of Rs. 220,668 for the year ended 31 March 2010 remitted during the year ending 31 March 2011.

** 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.

11. Deferred tax :

Amount (Rs.)

Components	As at 31 March 2011		As at 31 March 2010	
	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	—	(16,888,536)	—	(11,463,517)
Provision for doubtful debts	1,184,072	—	982,316	—
Provision for diminution in Investments	4,343,884	—	4,448,766	—
Provision for employee benefits	3,706,003	—	2,327,624	—
Others	5,189,510	—	5,383,660	—
Total	14,423,469	(16,888,536)	13,142,366	(11,463,517)
Net deferred tax liability (asset)		(2,465,067)		1,678,849

12. Earnings per share :

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

Particulars	Year ended 31 March 2011	Year ended 31 March 2010
Net profit after tax available for equity shareholders (Rs.) (A)	65,624,873	107,756,963
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 added during the year (Nos.)	83,169	—
Weighted average number of Equity Shares for Basic EPS (Nos.) (C)	25,404,936	25,321,767
Add : Weighted average number of potential equity shares that could arise on conversion of employee stock option granted (Nos.)	151,646	188,012
Weighted average number of Equity Shares for Diluted EPS (Nos.) (Face value of Rs.6 each) (D)	25,556,582	25,509,779
Basic EPS (Rs.) (A/C)	2.58	4.26
Diluted EPS (Rs.) (A/D)	2.57	4.22

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

Amount (Rs.)

S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
	Statutory Auditors		
1.	As Auditor	1,762,700	1,868,003*
2.	Others	650,000	—
3.	Out of pocket expenses	129,070	137,841
	Total	2,541,770	2,005,844

* Include Rs. 100,000 being consolidation fee for the year ended 31 March 2009.

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 2011	Maximum balance outstanding during the year ended 31 March 2011	As at 31 March 2010	Maximum balance outstanding during the year ended 31 March 2010
Almondz Insurance Brokers Private Limited*	—	—	—	301,972

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

- (ii) Amount due from subsidiaries

Particulars	As at 31 March 2011	Maximum balance outstanding during the year ended 31 March 2011	As at 31 March 2010	Maximum balance outstanding during the year ended 31 March 2010
Almondz Finanz Limited	115,348,849	204,020,241	95,056,883	167,002,250
Almondz Insurance Brokers Private Limited*	2,597	426,946	54,421	266,066
Almondz Retail Equity Limited	—	—	—	30,435
Almondz Reinsurance Brokers Private Limited	184	1,191,240	—	—
Almondz Commodities Private Limited	—	595,070	—	1,314,061

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

15. 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 till 11 June 2010)

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

- Almondz Capital and Management Services Limited (till 22 January 2010)
- Almondz Capital and Management Services Limited (w.e.f 12 June 2010)

(iii) **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 Almondz Insurance Brokers Private Limited*)

(iv) **Associates :**

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

(v) **Enterprises over which Key Managerial Personnel are able to exercise significant influence :**

- Innovative Money Matters Private Limited

(vi) **Key Managerial Personnel :**

- Mr. Vinay Mehta
- Mr. Navjeet Singh Sobti
- Mr. Jagdeep Singh

(vii) **Relative of Key Managerial Personnel :**

- Mrs. Bulbul Dhir Mehta
- Mrs. Gurpreet N.S. Sobti
- Mrs. Parmeet Kaur
- Navjeet Singh Sobti (HUF)
- Jagdeep Singh (HUF)
- Mr. Surinderjeet Singh
- Mrs. Bimla Kaur
- Mr. Manpreet Singh

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 2011	31 March 2010
1)	Transactions during the year		
(A)	Income	484,261,783	1,441,683,434
a	Sale of Shares/Securities	432,140,928	1,431,726,690
	Holding company	—	50,170,068
	Almondz Capital and Management Services Limited	—	50,170,068
	Subsidiaries	432,140,928	1,381,556,622
	Almondz Finanz Limited	412,113,188	1,371,540,759
	Almondz Re-Insurance Brokers Private Limited	20,027,740	10,015,863
b	Interest received	24,118,736	3,554,589
	Holding company	157,808	417,535
	Almondz Capital and Management Services Limited	157,808	417,535
	Investing parties in respect of which the company is an associates	555,616	—
	Almondz Capital and Management Services Limited	555,616	—
	Subsidiaries	23,405,312	3,137,054
	Almondz Finanz Limited	23,405,312	3,137,054
c	Dividend received	3,672,000	109,500
	Associates	—	109,500
	Almondz Insurance Brokers Private Limited	—	109,500
	Subsidiaries	3,672,000	—
	Almondz Insurance Brokers Private Limited	3,672,000	—
d	Recovery of reimbursable expenses	8,394,584	2,862,576
	Holding company	—	15,574
	Almondz Capital and Management Services Limited	—	15,574
	Investing parties in respect of which the company is an associates	17,435	—
	Almondz Capital and Management Services Limited	17,435	—
	Subsidiaries	8,377,149	1,641,729
	Almondz Commodities Private Limited	1,700,441	1,326,802
	Almondz Finanz Limited	34,406	3,602
	Almondz Insurance Brokers Private Limited	4,248,792	311,325
	Almondz Reinsurance Brokers Private Limited	2,393,510	—
	Associates	—	1,205,273
	Almondz Insurance Brokers Private Limited	—	1,205,273
e	Brokerage received on equity stock broking operations	14,561,835	3,103,982
	Holding company	3,122,581	3,059,934
	Almondz Capital and Management Services Limited	3,122,581	3,059,934
	Subsidiaries	2,709,742	—
	Almondz Finanz Limited	2,706,463	—
	Others	3,279	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	—	6,200
	Innovative Money Matters Private Limited	—	6,200

Amount (Rs.)			
S. No.	Particulars	31 March 2011	31 March 2010
	Investing parties in respect of which the company is an associates	8,688,445	—
	Almondz Capital and Management Services Limited	8,688,445	—
	Key Managerial Personnel	27,328	26,234
	Jagdeep Singh	22,294	18,902
	Vinay Mehta	5,034	7,332
	Relatives of Key Managerial Personnel	13,740	11,614
	Parmeet Kaur	3,614	9,432
	Manpreet Singh	8,954	—
	Jagdeep Singh (HUF)	1,162	827
	Others	10	1,355
f	Delay payment charges received on broking activities	1,355,862	315,576
	Holding company	123,754	305,795
	Almondz Capital and Management Services Limited	123,754	305,795
	Subsidiaries	907,155	—
	Almondz Finanz Limited	907,151	—
	Others	4	—
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	9	7,940
	Innovative Money Matters Private Limited	9	7,940
	Investing parties in respect of which the company is an associates	323,420	—
	Almondz Capital and Management Services Limited	323,420	—
	Key Managerial Personnel	1,429	1,146
	Jagdeep Singh	1,429	1,146
	Relatives of Key Managerial Personnel	95	695
	Parmeet Kaur	15	683
	Surinderjeet Singh	40	5
	Bimla Kaur	40	5
	Others	—	2
g	Depository charges received on broking activities	17,837	10,521
	Holding company	1,545	6,427
	Almondz Capital and Management Services Limited	1,545	6,427
	Subsidiaries	3,497	2,219
	Almondz Commodities Private Limited	276	564
	Almondz Finanz Limited	3,011	552
	Almondz Re-Insurance Brokers Private Limited	210	1,103
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	276	1,103
	Innovative Money Matters Private Limited	276	1,103
	Investing parties in respect of which the company is an associates	11,245	—
	Almondz Capital and Management Services Limited	11,245	—
	Key Managerial Personnel	718	337

		Amount (Rs.)	
S. No.	Particulars	31 March 2011	31 March 2010
	Jagdeep Singh	604	233
	Vinay Mehta	79	104
	Navjeet Singh Sobti	35	—
	Relatives of Key Managerial Personnel	556	435
	Parmeet Kaur	238	295
	Bulbuldhir Mehta	—	50
	Jagdeep Singh (HUF)	53	64
	Surinderjeet Singh	62	13
	Bimla Kaur	49	13
	Manpreet Singh	154	—
(B)	Expenditure	1,445,840,140	1,406,733,884
a	Purchase of Shares / Securities	1,397,121,331	1,374,459,525
	Holding company	50,693,356	—
	Almondz Capital and Management Services Limited	50,693,356	—
	Subsidiaries	1,346,427,975	1,374,459,525
	Almondz Finanz Limited	1,315,564,125	1,374,459,525
	Almondz Re-Insurance Brokers Private Limited	30,863,849	—
b	Managerial Remuneration	23,472,512	21,457,721
	Key Managerial Personnel	23,472,512	21,457,721
	Navjeet Singh Sobti	10,339,922	9,724,909
	Jagdeep Singh	4,846,290	4,408,362
	Vinay Mehta	8,286,300	7,324,450
c	Rent	5,585,400	5,585,400
	Holding company	496,350	1,985,400
	Almondz Capital and Management Services Limited	496,350	1,985,400
	Investing parties in respect of which the company is an associates	1,489,050	—
	Almondz Capital and Management Services Limited	1,489,050	—
	Relatives of Key Managerial Personnel	3,600,000	3,600,000
	Gurpreet N S Sobti	3,600,000	3,600,000
d	Dividend Paid	5,487,407	3,795,980
	Holding company	—	3,666,296
	Almondz Capital and Management Services Limited	—	3,666,296
	Investing parties in respect of which the company is an associates	5,314,392	—
	Almondz Capital and Management Services Limited	5,314,392	—
	Subsidiaries	5,457	—
	Almondz Insurance Brokers Private Limited	5,457	—
	Associates	—	10,000
	Almondz Insurance Brokers Private Limited	—	10,000
	Key Managerial Personnel	141,078	100,770
	Navjeet Singh Sobti	21,294	15,210
	Jagdeep Singh	119,784	85,560

Amount (Rs.)

S. No.	Particulars	31 March 2011	31 March 2010
	Relatives of Key Managerial Personnel	26,480	18,914
	Gurpreet N S Sobti	21,000	15,000
	Bulbuldhir Mehta	5,480	3,914
e	Interest paid	14,138,745	1,428,137
	Subsidiaries	13,848,115	97,863
	Almondz Commodities Private Limited	—	97,863
	Almondz Finanz Limited	13,848,115	—
	Holding company	268,734	1,330,274
	Almondz Capital and Management Services Limited	268,734	1,330,274
	Investing parties in respect of which the company is an associates	21,896	—
	Almondz Capital and Management Services Limited	21,896	—
f	Communication Expenses	34,745	7,121
	Subsidiaries	34,745	7,121
	Almondz Insurance Brokers Private Limited	34,745	7,121
(C)	Assets / Liabilities	—	—
a	Investments made during the year	150,000,000	28,799,039
	Subsidiaries	150,000,000	19,000,000
	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
	Almondz Finanz Limited	150,000,000	—
	Almondz Commodities Private Limited	—	5,000,000
	Investment of Almondz Insurance Brokers Private Limited 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	26,800,000	193,300,000
	Holding company	26,800,000	189,500,000
	Almondz Capital and Management Services Limited	26,800,000	189,500,000
	Subsidiaries	—	3,800,000
	Almondz Commodities Private Limited	—	3,800,000
c	Loans repaid during the year	26,800,000	193,300,000
	Holding company	26,200,000	189,500,000
	Almondz Capital and Management Services Limited	26,200,000	189,500,000
	Investing parties in respect of which the company is an associates	600,000	—
	Almondz Capital and Management Services Limited	600,000	—

		Amount (Rs.)	
S. No.	Particulars	31 March 2011	31 March 2010
	Subsidiaries	—	3,800,000
	Almondz Commodities Private Limited	—	3,800,000
d	Loan given during the year	1,298,000,000	927,000,000
	Holding company	—	415,000,000
	Almondz Capital and Management Services Limited	—	415,000,000
	Investing parties in respect of which the company is an associates	430,000,000	—
	Almondz Capital and Management Services Limited	430,000,000	—
	Subsidiaries	868,000,000	512,000,000
	Almondz Finanz Limited	868,000,000	512,000,000
e	Loan recovered during the year	1,257,000,000	754,200,000
	Subsidiaries	847,000,000	419,200,000
	Almondz Commodities Private Limited	—	1,200,000
	Almondz Finanz Limited	847,000,000	418,000,000
	Holding company	80,000,000	335,000,000
	Almondz Capital and Management Services Limited	80,000,000	335,000,000
	Investing parties in respect of which the company is an associates	330,000,000	—
	Almondz Capital and Management Services Limited	330,000,000	—
f	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
g	Advances	—	388,012
	Subsidiaries	—	388,012
	Almondz Finanz Limited	—	387,957
	Others	—	55
2)	Closing balances		
a	Investments	234,033,147	84,033,147
	Subsidiaries	234,033,147	84,033,147
	Almondz Finanz Limited	200,000,000	50,000,000
	Almondz Commodities Private Limited	14,900,000	14,900,000
	Almondz Retail Equity Limited	500,000	500,000
	Almondz Insurance Brokers Private Limited	18,633,147	18,633,147
b	Debtors / Receivables	7,596	56,178
	Subsidiaries	2,781	54,421
	Almondz Insurance Brokers Private Limited	2,597	54,421
	Almondz Re-Insurance Brokers Private Limited	184	—
	Key Managerial Personnel	4,723	—
	Jagdeep Singh	4,688	—
	Others	35	—
	Relatives of Key Managerial Personnel	92	1,757
	Parmeet Kaur	—	652

Amount (Rs.)			
S. No.	Particulars	31 March 2011	31 March 2010
	Surinderjeet Singh	35	553
	Bimla Kaur	22	552
	Manpreet Singh	35	—
c	Creditors / Payables	7,339,543	1,656,785
	Holding company	—	1,369,507
	Almondz Capital and Management Services Limited	—	1,369,507
	Investing parties in respect of which the company is an associates	3,052,478	—
	Almondz Capital and Management Services Limited	3,052,478	—
	Subsidiaries	4,278,109	448
	Almondz Finanz Limited	4,278,109	448
	Key Managerial Personnel	—	273,453
	Jagdeep Singh	—	273,453
	Relatives of Key Managerial Personnel	8,956	13,377
	Jagdeep Singh (HUF)	—	10,093
	Parmeet Kaur	8,956	—
	Bulbul Dhir Mehta	—	2,784
	Others	—	500
d	Margin money recoverable	2,129,390	—
	Investing parties in respect of which the company is an associates	1,287,140	—
	Almondz Capital and Management Services Limited	1,287,140	—
	Subsidiaries	842,250	—
	Almondz Finanz Limited	842,250	—
e	Loan & Advances	215,000,000	175,391,075
	Holding company	—	80,334,192
	Almondz Capital and Management Services Limited	—	80,334,192
	Investing parties in respect of which the company is an associates	100,000,000	—
	Almondz Capital and Management Services Limited	100,000,000	—
	Subsidiaries	115,000,000	95,056,883
	Almondz Finanz Limited	115,000,000	95,056,883
f	Advance recoverable in cash or in kind (Amount held in trust)	4,732,590	—
	Key Managerial Personnel	4,732,590	—
	Vinay Mehta	4,086,300	—
	Jagdeep Singh	646,290	—
g	Employee stock options granted during the year (in numbers)	—	250,000
	Key Managerial Personnel	—	250,000
	Jagdeep Singh	—	250,000

Amount (Rs.)			
S. No.	Particulars	31 March 2011	31 March 2010
h	Employee stock options exercise during the year (in numbers)	25,000	—
	Key Managerial Personnel	25,000	—
	Jagdeep Singh	25,000	—
i	Employee stock option outstanding (in numbers)	1,725,000	1,750,000
	Key Managerial Personnel	1,725,000	1,750,000
	Vinay Mehta	1,000,000	1,000,000
	Jagdeep Singh	725,000	750,000

16. Segment Reporting :

For the year ended 31 March 2011

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	111,690,553	322,610,546	144,181,641	172,691,439	—	751,174,179
Segment Results						
Segment Results including other income but before interest income, interest expenses, taxes and prior period expense (net of income)	71,219,680	154,927,646	22,583,252	(28,945,919)	(113,618,954)	106,165,705
Add : Interest Income	—	—	3,527,587	599,507	24,137,754	28,264,848
Less : Interest Expenses	—	—	—	3,391,962	37,975,649	41,367,611
Less : Prior Period Expenses (net of income)	(118,404)	738,131	(108,718)	15,889	28,788	555,686
Profit before Tax	71,338,084	154,189,515	26,219,557	(31,754,263)	(127,485,637)	92,507,256
Less : Provision for Tax for the Year	—	—	—	—	25,917,029	25,917,029
Less : Prior Period Tax	—	—	—	—	965,354	965,354
Net Profit after tax	71,338,084	154,189,515	26,219,557	(31,754,263)	(154,368,020)	65,624,873
Other Information						
Segmental Assets	123,786,015	74,818,966	85,882,206	423,037,380	959,784,778	1,667,309,345
Segmental Liabilities	9,703,157	12,906,567	39,636,105	159,707,368	374,355,909	596,309,106
Capital expenditure	—	—	—	11,809,576	345,948,788	357,758,364
Depreciation	—	—	—	11,416,513	15,780,567	27,197,080
Non-cash expenditure other than depreciation (net of non-cash income)	—	7,299,825	(261,702)	6,399,156	6,199,978	19,637,257

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 interest income, 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	—	—	—	—	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	24,412,196

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 2011 (in Rs.)
1.	Government Securities				
	7.40% Government of India	1	9,900	9,985	9,900
	8.23% Special Food Bonds 2027	2	17,626	19,870	17,626
	Sub-total		27,526	29,855	27,526
2.	Non Government Securities / Bonds				
	9.75% IFCI Limited 2030	200	1,960,000	1,960,000	1,960,000
	9.65% Yes Bank Limited 2020	300	3,036,000	3,025,500	3,025,500
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited 2023	4	602,692	559,961	559,961
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited II 2020	1	219,269	211,236	211,236
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited II 2023	10	1,651,760	1,719,165	1,651,760
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited II 2024	9	1,354,320	1,318,302	1,318,302
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited II 2025	5	684,685	716,860	684,685
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited II 2027	4	452,908	431,426	431,426
	0% Rajasthan Rajya Vidyut Prasaran Nigam Limited II 2028	9	929,772	983,160	929,772
	9.95% State Bank of India 2026	9,025	93,693,157	94,067,575	93,693,157
	Sub Total		104,584,563	104,993,185	104,584,563
	Total Value of Stock of Securities (A)		104,612,089	105,023,040	104,612,089
3.	Quoted Shares				
	Gujarat Ambuja Exports Limited	75	90	—	—
	Jenson & Nicholson India Limited	2,000	11,400	7,600	7,600
	Aftek Limited	9,808	90,974	121,031	90,974
	Dhanuka Agritech Limited	4,475	335,977	349,050	335,977
	Elder Pharmaceuticals Limited	3,247	1,302,956	1,266,655	1,266,655
	IL&FS Engineering and Construction Company Limited	35,000	7,245,700	6,646,500	6,646,500
	Network 18 Media & Investments Limited	1,000	98,029	133,950	98,029
	Tata Investment Corporation Limited	5,039	963,205	2,571,150	963,205
	Sub Total		10,048,331	11,095,936	9,408,940
4.	Unquoted Shares				
	Asian Diet Products Limited	350,000	35,000	—	—
	Sub Total		35,000	—	—
	Total Value of Stock of Shares in trade (B)		10,083,332	11,095,936	9,408,940
	Total (A+B)		114,695,420	116,118,976	114,021,029

	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		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		443,319,045	425,758,800	425,758,800
	Total value of stock of securities (A)		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		196,802,663	198,162,084	195,434,654
4.	Unquoted Shares				
	Asian Diet Products Limited	350,000	35,000	—	—
	Sub Total		35,000	—	—
	Total Value of Stock of Shares in trade (B)		196,837,663	198,162,084	195,434,654
	Total (A+B)		640,184,234	623,951,109	621,220,980

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 :

Operating lease obligations		(Rupees)	
Particulars	Year ended		
	31 March 2011	31 March 2010	
Lease payments for the year	39,591,685	47,948,736	
Minimum Lease payments due-	—	—	
Not later than one year	29,006,454	39,820,464	
Later than one year but not later than five years	69,884,550	109,927,846	
Later than five years	14,622,610	46,655,470	

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 2011.

20. Certain amounts reported in the balance sheet as at 31 March 2010, the Profit and Loss account and the cash flow for the period ended 31 March 2010 require regrouping to conform to the current period's classification. The following table shows the amounts reported in the financial statements for the year ended 31 March 2010 and how these amounts would have appeared in the financial statements for the year ended 31 March 2010 had the current period's grouping / classification is applied :

		(Rupees)	
Schedules	31 March 2010 (As per grouping of March 31, 2010)	31 March 2010 (As per audited groupings of March 31, 2010)	
Schedule 12 : Broking activities			
Arranger fee	17,799,417	17,799,417	
Commission and brokerage from distribution operations	136,939,001	136,939,001	
Commission and brokerage from equity stock broking operations	112,393,569	112,393,569	
Portfolio management fee	—	—	
Delayed payment charges	12,595,712	12,595,712	
Interest on fixed deposits pledged with exchanges [gross of tax deducted at source Rs. 846,846 (Previous year Rs. 791,482)]	7,305,998	—	
Brokerage income from institution	—	—	
Wholesale debt market operation income	—	—	
	287,033,697	279,727,699	

(Rupees)

Schedules	31 March 2010 (As per grouping of March 31, 2010)	31 March 2010 (As per audited groupings of March 31, 2010)
Schedule 14 : Other income		
Interest received		
On deposits with banks [gross of tax deducted at source Rs. 253,766 (Previous year Rs. 446,695)]	2,720,920	10,031,028
On deposits with others [gross of tax deducted at source Rs. 2,574,206 (Previous year Rs. 416,977)]	3,642,262	3,638,152
	6,363,182	13,669,180
Dividend received from other investments	203,816	203,816
Provision for doubtful debts written back	6,868,579	6,868,579
Advertisement income	493,210	493,210
Liabilities no longer required written back	465,504	465,504
Bad debts recovered	154,775	154,775
Miscellaneous income	696,051	696,051
Profit on sale of investment (net)	—	—
	15,245,117	22,551,115

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 Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Place : Gurgaon
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

**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, 2011
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	20000000 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	157.73 (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	40.40 (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 Commodities Private Limited
Financial period ended	March 31, 2011
Holding Company's interest	85.14% 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	11.02 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	1.92 (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	13.29 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	0.09 (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, 2011
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	0.16 (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	0.12 (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 Insurance Brokers Private Limited*
Financial period ended	March 31, 2011
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	84.77 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	81.45 (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	0.46 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	0.45 (Profit)

**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, 2011
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	19.66 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	18.88 (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	8.04 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	7.73 (Loss)

* 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 (the Company and its subsidiaries collectively referred to as "the group"), as at 31 March 2011, and 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 subsidiaries. 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 reflect total assets of Rs. 823,623,283 as at 31 March 2011, total revenue of Rs. 261,133,615 and net cash flows of Rs. 96,175,866 for the year then ended. These financial statements and other financial information 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, is based solely on the reports of the other auditors.
4. We report that the consolidated financial statements have been prepared by the group in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006.

5. 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 2011;
- (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 2011

Jiten Chopra
Partner
Membership No. 092894

Consolidated Balance Sheet as at 31 March 2011

(All amounts in Indian rupees)

	Schedule No.	As at 31 March 2011	As at 31 March 2010
Sources of Funds			
Shareholders' funds			
Share capital	1	152,831,838	151,730,598
Reserves and surplus	2	943,815,427	858,908,574
Minority Interest		26,138,294	25,140,513
Advance against share warrant	18(3)	64,560,650	64,560,650
Loan funds			
Secured loans	3	523,798,041	466,987,858
Unsecured loans		31,250,000	—
Deferred tax liability (net)	18(11)	406,646	—
		1,742,800,896	1,567,328,193
Application of funds			
Fixed assets	4		
Gross block		523,753,142	179,405,230
Less : Accumulated depreciation and impairment		(81,639,982)	(59,808,052)
Net block		442,113,160	119,597,178
Capital work in progress		1,234,808	933,725
		443,347,968	120,530,903
Deferred tax asset (net)	18(11)	—	2,573,798
Investments	5	20,737,396	16,868,530
Current assets, loans and advances			
Stock in trade	6	382,915,353	879,365,128
Sundry debtors	7	222,035,030	134,324,478
Cash and bank balances	8	505,135,572	352,315,656
Loans and advances	9	541,152,510	320,945,699
Other current assets	10	9,774,819	11,528,170
		1,661,013,284	1,698,479,131
Less : Current liabilities and provisions	11		
Current liabilities		346,027,248	248,649,615
Provisions		36,270,504	22,474,554
		382,297,752	271,124,169
Net current assets		1,278,715,532	1,427,354,962
		1,742,800,896	1,567,328,193
Significant accounting policies and notes to the accounts	18		

The Schedules referred to above form an integral part of the Consolidated 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 Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Place : Gurgaon
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Consolidated Profit and Loss Account for the year ended 31 March 2011

(All amounts in Indian rupees)

Particulars	Schedule No.	Year ended 31 March 2011	Year ended 31 March 2010
Income			
Advisory and consultancy fees		286,580,829	169,541,114
Broking activities	12	518,562,177	308,882,467
Net results in trading of shares / securities / spot	13	153,216,253	335,908,339
Other income	14	44,573,262	15,374,724
		<u>1,002,932,521</u>	<u>829,706,644</u>
Expenditure			
Professional charges		90,592,315	31,772,279
Brokerage and commission		120,000,427	161,300,421
Personnel expenses	15	365,145,525	245,958,754
Administrative and other expenses	16	200,724,418	170,730,766
Finance charges	17	49,642,769	25,731,381
Depreciation		28,304,529	19,319,584
Fixed assets written off		6,827,035	2,144,937
		<u>861,237,018</u>	<u>656,958,122</u>
Profit before extraordinary, prior period items and tax expense		141,695,503	172,748,522
Prior period item			
Expenses (net)		276,741	1,258,446
Profit before tax		141,418,762	171,490,076
Tax expense :			
— Income-tax for earlier year		1,048,148	3,059,742
— Income-tax for current year		38,527,784	63,172,001
— Deferred tax charge / (credit)		2,980,444	(4,580,609)
— Wealth tax		53,203	46,337
		<u>42,609,579</u>	<u>61,697,471</u>
Net profit for the year		98,809,183	109,792,605
Less : Special reserve (under section 45-IC of the Reserve Bank of Indian Act,1934)		<u>3,229,308</u>	<u>—</u>
Net profit available for appropriations		95,579,875	109,792,605
Minority Interest		1,483,520	(778,325)
Share of profit of associate		—	3,540,179
Appropriations			
Dividend (including corporate dividend tax) for the previous year paid		17,198	—
Proposed dividend		18,200,686	10,635,142
Corporate dividend tax		<u>4,318,887</u>	<u>1,807,442</u>
		<u>22,536,771</u>	<u>12,442,584</u>
Net surplus carried to balance sheet		71,559,584	101,668,525
Earnings per share (Face value Rs.6 each)			
— Basic		3.74	4.34
— Diluted		3.72	4.31

Significant accounting policies and notes to the accounts

18

The Schedules referred to above form an integral part of the Consolidated 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 Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Place : Gurgaon
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Consolidated Cash Flow Statement for the year ended 31 March 2011

(All amounts in Indian rupees)

Particulars	Year ended 31 March 2011	Year ended 31 March 2010
A. Cash flow from operating activities		
Profit before extraordinary, prior period items and taxes	141,695,503	172,748,522
Adjustments for :		
Depreciation	28,304,529	19,834,009
(Profit) / loss on sale of fixed assets	3,064,147	6,487,573
(Profit) / loss on sale of investments	(234,461)	—
Fixed assets written off	6,827,035	2,144,937
Provision for employee benefits	14,088,435	1,727,936
Bad debts written off	7,238,134	6,531,255
Provision for doubtful debts	890,822	472,000
Excess provision for doubtful debts written back	(384,667)	(7,131,170)
Dividend received from other investments	(676,388)	(133,864)
Interest received	(40,522,725)	(6,271,497)
Liabilities no longer required written back	(267,561)	(467,137)
Finance charges	49,642,770	25,731,381
	209,665,573	221,673,945
Less : Prior period expense / (income)	276,741	1,258,446
Operating profit before working capital changes	209,388,832	220,415,499
Adjusted for net changes in working capital :		
(Increase) / decrease in stock in trade	496,449,775	(607,834,472)
(Increase) / decrease in sundry debtors	(94,521,119)	(26,082,894)
(Increase) / decrease in loans and advances	(206,518,902)	(131,037,721)
Increase / (decrease) in current liabilities and provisions	90,895,972	73,424,878
	495,694,558	(471,114,710)
Cash flow before extra ordinary items and tax	(48,878,472)	(84,903,473)
Taxes paid		
Net cash generated from/(used in) operating activities (A)	446,816,086	(556,018,183)
B. Cash flow from investing activities		
Purchase of fixed assets	(363,050,400)	(19,222,284)
Proceeds for capital work-in-progress	(1,234,808)	30,069,860
Proceeds from sale of fixed assets	1,492,370	8,566,764
Fixed deposits (with a maturity more than 90 days) placed	(125,335,302)	(189,666,720)
Fixed deposits (with a maturity more than 90 days) matured	107,647,124	143,875,221
Investments made	(4,862,003)	(12,305,848)
Dividend received	676,388	133,864
Interest received	37,844,369	7,066,782
	(346,822,262)	(31,482,361)
C. Cash flow from financing activities		
Proceeds from issue of share capital	8,865,040	—
Proceeds from issue of option warrants	—	64,560,650
Proceeds from acquisition of minority interest	3,452,379	30,609,415
Proceeds from secured long term borrowings	241,454,681	2,433,554
Repayment of secured long term borrowings	(1,979,738)	(17,581,666)
Proceeds (net) from unsecured long term borrowings	31,250,000	—
Net increase / (decrease) in cash credit facilities	(182,664,760)	454,118,827
Dividend and corporate dividend tax paid	(17,187,088)	(8,887,560)
Finance charges	(48,052,600)	(25,731,381)
	35,137,914	499,521,839
Net cash from/(used in) financing activities (C)	135,131,738	(87,978,705)
Net cash inflows during the year (A+B+C)	182,607,500	270,586,205
Cash and cash equivalents (opening balance)	317,739,238	182,607,500
Cash and cash equivalents (closing balance)	505,135,572	352,315,656

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. 140,375,000 (previous year Rs. 110,543,156) (pledged with stock exchanges), Rs. 7,630,000 (previous year Rs. 5,240,000) (earmarked for settlement of certain liabilities) and Rs. 31,671,619 (previous year Rs. 30,000,000) (pledged against overdraft facility from banks).
- Cash and Cash equivalents include:**

Cash in hand	1,608,474	1,877,266
Balances with scheduled banks		
— on current account	316,130,764	180,730,234
Cash and cash equivalents (closing balance)	317,739,238	182,607,500
Add: Fixed deposits (with a maturity more than 90 days) placed	187,396,334	169,708,156
Cash and bank balances at the end of the year	505,135,572	352,315,656

As per our report of even date attached

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

Jiten Chopra
 Partner
 Membership No.: 092894

 Place : Gurgaon
 Date : 28th May, 2011

Rajiv Lochan Jha
 Company Secretary

 Place : New Delhi
 Date : 28th May, 2011

Govind Prasad Agrawal
 Chief Finance Officer

 Place : New Delhi
 Date : 28th May, 2011

Vinay Mehta
 Managing Director

 Place : New Delhi
 Date : 28th May, 2011

Jagdeep Singh
 Wholtime Director

 Place : New Delhi
 Date : 28th May, 2011

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

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
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		
25,471,973 (Previous year 25,288,433) equity shares of Rs. 6 each fully paid up (Refer to note 18 of schedule 18)	<u>152,831,838</u>	<u>151,730,598</u>
	<u>152,831,838</u>	<u>151,730,598</u>
Schedule 2 : Reserves and surplus		
Securities premium		
Opening balance	380,881,250	380,881,250
Add : Addition during the period on fresh issue of 163,200 equity shares (Previous year : Nil) on allotment of Shares under Employee Stock Option Scheme	7,530,723	—
Add : Gain on sale of treasury shares (net of minority interest)	<u>355,117</u>	<u>—</u>
Closing balance	<u>388,767,090</u>	<u>380,881,250</u>
General reserve	17,000,000	17,000,000
Capital reserve		
Opening balance	18,506,502	8,000,000
Forfeiture of amount received against share warrants (Refer to note 3 of Schedule 18)	—	8,538,250
Capital profit / (adjustment) on acquisition of Almondz Insurance Brokers Private Limited	<u>(311,848)</u>	<u>1,968,252</u>
Closing balance	<u>18,194,654</u>	<u>18,506,502</u>
Amalgamation reserve account	112,719,998	112,719,998
Profit and loss account		
Opening balance	329,717,406	227,939,381
Add : Allocation of losses to minority due to increase in minority's shares	2,084,969	—
Add : Profit after tax net of share in associate's profit and minority interest	71,559,584	101,668,525
Add : Dividend income received by AGSL from subsidiary	<u>459,000</u>	<u>109,500</u>
Closing balance	<u>403,820,959</u>	<u>329,717,406</u>
Special Reserve (under section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	83,418	83,418
Add : Transfer during the year	<u>3,229,308</u>	<u>—</u>
Closing balance	<u>3,312,726</u>	<u>83,418</u>
	<u>943,815,427</u>	<u>858,908,574</u>

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
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)	214,291,451	343,144,759
Bank overdraft (Secured by way of hypothecation of fixed deposit with lender bank)	11,308,457	16,441,262
Term - loan*		
— Secured against hypothecation of specific vehicles financed	5,362,610	3,087,518
— Secured by way of equitable mortgage of Company's specific properties at Kolkata, (Previous year Kolkata, Bangalore and Coimbatore). The loan has also been guaranteed by a director.	333,788	2,313,526
Other loans and advances		
Working capital loan from NBFC (Working Capital loan from non-banking finance company (NBFC) are secured by way of pledge of shares/securities, corporate guarantee and Sh. Navjeet Singh Sobti, director of the company).	50,521,353	99,200,000
Term - loan*		
— Secured against hypothecation of specific vehicles financed	2,973,000	2,800,793
— Secured by way of equitable mortgage of Company's specific property at Mumbai (Previous year Nil). The loan has also been guaranteed by a director. *[Term loans repayable within one year Rs. 3,482,089 (Previous year Rs. 4,954,021)]	239,007,382	—
	523,798,041	466,987,858
Unsecured loan	31,250,000	—
	555,048,041	466,987,858

(All amounts in Indian rupees)

Schedule 4 : Fixed Assets

	Gross block				Accumulated Depreciation				Net block	
	As at 1 April 2010	Additions	Sale / Transfert/ Adjustment	As at 31 March 2011	As at 1 April 2010	For the period	Transfert/ Adjustment	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Tangible assets										
Official building	9,537,228	333,312,011	—	342,849,239	655,762	4,173,319	—	4,829,081	338,020,158	8,881,466
Lease hold improvements	4,767,118	—	—	4,767,118	3,016,999	953,424	—	3,970,423	796,695	1,750,119
Furniture and fittings	60,479,539	932,820	15,254,945	46,157,414	18,261,796	8,068,060	4,987,331	21,342,525	24,814,889	42,217,743
Computers and peripherals	43,272,993	2,342,055	1,297,976	44,317,072	20,960,699	7,050,906	1,048,017	26,963,588	17,353,484	22,312,294
Office equipments	21,859,713	5,246,485	918,949	26,187,249	3,721,183	1,367,461	254,396	4,834,248	21,353,001	18,138,530
Vehicles	16,692,040	7,924,695	304,281	24,312,454	4,173,476	1,887,458	162,187	5,898,747	18,413,707	12,518,564
Total	156,608,631	349,758,066	17,776,151	488,590,546	50,789,915	23,500,628	6,451,931	67,838,612	420,751,934	105,818,716
Intangible assets										
Software	22,458,759	12,208,397	—	34,667,156	8,958,169	4,773,449	—	13,731,618	20,935,538	13,500,590
Painting and sculpture	337,840	—	80,000	257,840	59,968	30,452	20,668	69,752	188,088	277,872
Goodwill	—	237,600	—	237,600	—	—	—	—	237,600	—
Total	22,796,599	12,445,997	80,000	35,162,596	9,018,137	4,803,901	20,668	13,801,370	21,361,226	13,778,462
Grand total	179,405,230	362,204,063	17,856,151	523,753,142	59,808,052	28,304,529	6,472,599	81,639,982	442,113,160	119,597,178
Previous year	184,090,297	16,829,241	21,514,308	179,405,230	44,289,077	19,834,009	4,315,034	59,808,052	119,597,178	

Capital work-in-progress (including capital advances)

1,234,808 933,725

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)		
	As at 31 March 2011	As at 31 March 2010
Schedule 5 : Investments, Long-Term		
Trade investment (unquoted, at cost)		
Almondz Re-Insurance Brokers Private Limited		
[99,000 equity shares of Rs. 10 each, fully paid-up]	—	1,227,600
	—	1,227,600
Other non-trade investments		
(I) Investment in shares/bonds		
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
	4,469,860	19,560,224
Less : Diminution in the value of investments	4,469,860	4,469,860
	—	15,090,364
b) Unquoted (fully paid-up, at cost)		
New Horizons India Ltd.		
(400,000 shares of Rs.10 each)	20,000,000	—
Dijit Prognosys Private Limited		
[3,000 (Previous year 3,000) equity shares of Rs. 100 each]	300,000	300,000
	20,300,000	300,000
Less : Diminution in the value of investments	300,000	300,000
	20,000,000	—
Investment in mutual funds (Quoted)		
Principal Liquid Management Fund - Growth Fund		
Nil (Previous year 40,578.001) units of Rs.10 each	—	550,566
Principal Cash Management Fund - Growth		
50,240.891 (Previous year Nil) units of Rs. 10 each	737,396	—
Total	20,737,396	16,868,530

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
Schedule 6 : Stock-in-trade		
Equity shares - quoted (at cost or net realisable value, whichever is lower)	42,607,761	195,434,654
Corporate, Central government and State government bonds	340,307,592	683,930,474
	382,915,353	879,365,128
Schedule 7 : Sundry debtors		
Secured, considered good		
— other debts	98,105,742	81,415,755
	98,105,742	81,415,755
Unsecured, considered good		
— outstanding for more than six months	14,600,723	148,367
— other debts	109,328,565	52,760,356
	123,929,288	52,908,723
Unsecured, considered doubtful	6,226,473	5,656,835
Less : Provision for doubtful debts	6,226,473	5,656,835
	—	—
	222,035,030	134,324,478
Schedule 8 : Cash and bank balances		
Cash in hand	1,608,474	1,877,266
Balances with scheduled banks		
— on current account	316,130,764	180,730,234
— on deposit account	187,396,334	169,708,156
	503,527,098	350,438,390
— [Rs. 7,630,000 (Previous year Rs. 5,240,000) earmarked by the management for settlement of certain liabilities]		
— [Rs. 140,375,000 (Previous year Rs. 110,543,156) pledged with stock exchanges]		
	505,135,572	352,315,656
Schedule 9 : Loans and advances		
Loan to body corporate and others (Secured)	171,666,667	10,000,000
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	37,513,099	52,240,509
Loans to body corporate and others	153,419,000	124,493,809
Inter corporate deposits	12,500,000	12,500,000
Security deposits	115,332,092	85,331,643
Prepaid expenses	9,304,246	8,514,068
Balance with service tax authorities	6,347,778	2,052,241
Advance income tax and tax deducted at source		
[Net of provision of Rs. 102,747,934 (Previous year Rs. 63,172,001)]	35,069,628	25,813,429
	541,152,510	320,945,699
Schedule 10 : Other current assets		
Interest accrued on bonds / securities	3,167,025	7,598,732
Interest accrued on fixed deposits but not due	4,723,977	3,381,328
Interest receivable on loans to body corporate (Secured)	1,883,817	548,110
	9,774,819	11,528,170

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	As at 31 March 2011	As at 31 March 2010
Schedule 11 : Current liabilities and provisions		
Current liabilities		
Sundry Creditors		
— Due to creditors other than micro and small enterprises (Refer to note 17 of schedule 18)	38,001,587	19,091,827
Book overdraft	6,589,276	11,950,116
Due to clients	153,692,398	147,836,323
	198,283,261	178,878,266
Advances and margin money from customers	10,161,661	2,955,274
Reinsurance Premium Control A/c (Net)	27,492,038	—
Interest accrued on secured loan but not due	1,590,170	—
Expenses payable [Including amount payable to employees Rs. 22,489,860 (Previous year Rs. 22,559,726)]	72,283,265	44,098,295
Security deposits received	2,806,965	3,744,514
Other liabilities	31,358,015	17,068,746
Unpaid dividend*	2,051,873	1,904,520
	346,027,248	248,649,615
Provisions		
Provision for retirement benefits	17,831,079	9,985,633
Provision for wealth tax	53,203	46,337
Proposed dividend [(including corporate dividend tax amounting to Rs. 2,767,106 (Previous year Rs. 1,807,442)]	18,386,222	12,442,584
	36,270,504	22,474,554
	382,297,752	271,124,169

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
2009 - 10	28 September 2010	28 September 2017

Schedule 12 : Broking activities

	Year ended 31 March 2011	Year ended 31 March 2010
Arranger fee	39,628,961	17,799,417
Commission and brokerage from distribution operations	143,429,020	136,939,001
Commission and brokerage from equity stock broking operations	141,749,418	112,393,569
Portfolio management fee	3,001,707	—
Delayed payment charges	17,537,886	12,595,712
Brokerage on commodities broking operations	19,915,535	10,566,128
Brokerage on insurance and re-insurance	142,405,117	10,425,669
Interest on fixed deposits pledged with exchanges [gross of tax deducted at source Rs. 846,846 (Previous year Rs. 791,482)]	9,502,251	8,162,971
Brokerage income from Institution	1,309,064	—
Wholesale debt market operations income	83,218	—
	518,562,177	308,882,467

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 13 : Trading in shares and securities and spot		
Trading of shares		
Opening stock of shares	195,434,654	17,625,270
Add : Cost of shares purchased	708,436,184	200,439,493
	<u>903,870,838</u>	<u>218,064,763</u>
Less : Closing stock of shares	42,607,761	195,434,654
Cost of shares sold	861,263,077	22,630,109
Less : Sale of shares	<u>909,682,476</u>	<u>34,474,714</u>
	48,419,399	11,844,605
Loss on derivatives	(5,161,197)	(5,503,781)
Trading of securities / bonds		
Opening stock of securities	683,930,474	253,905,386
Add : Cost of securities purchased	15,955,996,186	29,320,532,561
	<u>16,639,926,660</u>	<u>29,574,437,947</u>
Less : Closing stock of securities	340,307,592	683,930,474
Cost of securities sold	16,299,619,068	28,890,507,473
Less : Sale of securities	<u>16,408,741,020</u>	<u>29,217,855,898</u>
	109,121,952	327,348,425
Accrued interest on securities held as stock	317,830	2,219,090
Profit on trading in commodities (spot)	518,269	—
	<u>153,216,253</u>	<u>335,908,339</u>
Schedule 14 : Other income		
Interest received		
On deposits with banks		
[gross of tax deducted at source Rs. 358,278 (Previous year Rs. 1,238,177)]	3,436,836	3,456,493
On deposits with others		
[gross of tax deducted at source Rs. 6,708,181 (Previous year Rs. 416,977)]	37,085,889	2,815,004
	<u>40,522,725</u>	<u>6,271,497</u>
Dividend received from other investments	676,388	133,864
Excess provision for doubtful debts written back	384,667	7,131,170
Advertisement income	752,621	493,210
Liabilities no longer required written back	267,561	467,137
Bad debts recovered	35,934	154,775
Profit on sale of investments (net)	234,461	—
Miscellaneous income	1,698,905	723,071
	<u>44,573,262</u>	<u>15,374,724</u>
Schedule 15 : Personnel expenses		
Salaries, bonus and other allowances	337,895,481	238,284,004
Contribution to provident and other funds	2,216,041	1,105,620
Provision for employee benefits	14,088,435	1,727,936
Staff welfare	10,945,568	4,841,194
	<u>365,145,525</u>	<u>245,958,754</u>

Schedules forming part of the consolidated accounts

(All amounts in Indian rupees)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 16 : Administrative and other expenses		
Travelling and conveyance	14,502,597	9,281,034
Communication	20,313,495	18,536,435
Rent	41,586,816	48,253,104
Rates and taxes	4,084,539	1,216,302
Electricity, generator and water	9,755,621	8,908,303
Legal and professional charges	56,498,573	26,773,018
Printing and stationery	4,523,850	4,337,367
Business promotion	9,731,324	4,664,815
Advertisement	1,717,940	20,723,988
Computer maintenance	6,560,836	7,732,954
Office maintenance	7,928,773	4,772,238
Vehicle repair and maintenance	2,461,773	1,329,709
Charity and donations	1,495,402	661,811
Insurance	954,273	464,494
Bad debts written off	7,238,134	5,459,035
Provision for doubtful debts	890,822	472,000
Loss on error trades	6,433	172,611
Foreign exchange loss (net)	194,736	85,397
Fine and penalties	59,150	9,432
SEBI and stock exchange fee and charges	2,000,427	2,193,181
Loss on sale of assets (net)	3,064,147	6,487,573
Loss on assignment of debt	—	1,072,220
Interest on late deposit of government dues	179,469	1,023,972
Data sharing expenses	1,800,000	—
Miscellaneous expenses	5,153,774	2,556,762
	202,702,904	177,187,755
Less : Recovery of expenses	(1,978,486)	(6,456,989)
	200,724,418	170,730,766
Schedule 17 : Finance charges		
Bank charges	7,866,360	7,668,179
Interest		
— on working capital loan from bank	7,307,853	15,806,200
— on term loans	22,781,047	926,728
— intercorporate loans	11,687,509	1,330,274
	49,642,769	25,731,381

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	Incorporated on	Country of Incorporation	% of voting power held as at	
				31 March 2011	31 March 2010
a)	Almondz Finanz Limited (AFL)	12 May 2006	India	100%*	100%*
b)	Almondz Commodities Private Limited (ACPL)	17 August 2005	India	85.14%*	99%*
c)	Almondz Retail Equity Limited	25 September 2008	India	100%*	100%*
d)	Almondz Insurance Brokers Private Limited **	27 March 2003	India	51%*	51%*
e)	Almondz Reinsurance Brokers Private Limited (a wholly owned subsidiary of Almondz Insurance Brokers Private Limited)		India	51% (indirect holding)	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.
- (d) 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.
- (e) 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 2011.

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 ended 31 March 2010.

During the previous year ended 31 March 2010, the Company had made an issue of 4,510,000 share warrants at a price of Rs. 57.26 per share warrant. These share warrants were convertible at the option of the holder into equal number of equity shares within 18 months from the date of allotment, i.e. 25 March 2010. The Company had received an amount of Rs. 64,560,650 as advance against share warrants issued.

4. Contingent Liabilities

		Amount (Rs.)	
	Particulars	As at 31 March 2011	As at 31 March 2010
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.	1,629,009	135,845
2	Suit filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	296,544	296,544
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 and 31 March 2007.	3,221,550	3,221,550
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 till the financial year ended 31 March 2009.	1,272,868	—
5	Show cause notice for service tax demand in relation to the financial year ended 31 March 2010.	1,297,359	—
6	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company	800,000,000	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	2,723,937
9	Tax deducted at source demand raised by assessing officer in respect of financial year ended 31 March 2008 for Salary and non salary return.	3,137,010	—
10	Income Tax demand in relation to A. Y. 2006-07, pending in appeal before ITAT. The matter has since been decided in favour of the company in CIT (A) but income tax department had filed appeal with Income Tax Appellate Tribunal.	5,032,080	—
11	Tax demand in relation to A Y 2007-08, pending in appeal before CIT (A) *-(Net of taxes deposit/TDS credited claimed as per the record of the company) The matter has since been decided in favour of the company in CIT (A) but income tax department had filed appeal with Income Tax Appellate Tribunal.	68,695*	68,695*
	Total	824,058,761	511,826,280

5. The details of prior period items are as follows

Particulars	Amounts (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Income		
Advisory and consultancy fees	50,000	—
Brokerage and commission	452,994	99,981
Interest on fixed deposits	1,049	2,654
Recovery of rent and property related costs	242,877	—
Interest earned on securities	132,582	—
	879,502	102,635
Expenses		
Brokerage and commission	113,234	20,869
Business promotion	50,575	—
Advertisement	93,648	—
Legal and professional charges	648,405	563,308
Communication	64,188	361,283
Rent	—	205,224
Office maintenance	93,638	27,939
Computer maintenance	20,374	5,671
Printing stationery	21,300	17,523
Staff welfare	2,917	500
Travelling and conveyance	—	—
Salaries, bonus and other allowances	(4,200)	133,420
Contribution to provident and other funds	52,141	—
Others	23	25,344
	1,156,243	1,361,081
Prior period expense (net)	276,741	1,258,446

6. 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 2011	Year ended 31 March 2010
Opening defined benefit obligation *	13,024,941	11,114,198
Interest cost	1,135,567	878,926
Current service cost	4,977,350	4,040,928
Past service cost (Vested benefits)	3,783,407	—
Past service cost (Non vested benefits)	13,740	—
Actual return on plan assets	1,151,689	591,362
Benefits paid	(1,530,849)	(446)
Actuarial (gain) / loss on obligation	1,526,194	(3,008,665)
Closing defined benefit obligation	22,930,350	13,024,941

* 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 2011	Year ended 31 March 2010
Opening fair value of plan assets	10,028,005	7,129,251
Expected return	852,380	570,341
Contributions by employer	6,000,000	2,307,838
Benefits paid	(1,530,849)	(446)
Actuarial gain / (losses)	299,309	21,021
Closing fair value of plan assets	15,648,845	10,028,005

iii) Profit and Loss Account

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Current service cost	4,977,350	4,040,928
Interest cost	1,135,567	878,926
Expected return on plan assets	(852,380)	(570,341)
Past service cost (Vested benefits)	3,783,407	—
Past service cost (Non vested benefits)	13,740	—
Actuarial (gain) / loss	1,226,885	(3,029,686)
Net benefit expense	10,284,569	1,319,827
Actual return on plan assets	1,151,689	591,362

iv) Balance sheet

Particulars	Gratuity (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Defined benefit obligation	22,930,350	13,024,941
Fair value of plan assets	15,648,845	10,028,005
Plan (Liability) / Asset	(7,281,505)	(2,996,936)

v) Principal Actuarial Assumptions are as follows

Particulars	Gratuity		Leave Incashment	
	Year ended 31 March 2011	Year ended 31 March 2010	Year ended 31 March 2011	Year ended 31 March 2010
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.25%	8.50%	8.25%	8.50%
Expected rate of return on plan assets	8.25%	8.50%	—	—
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%

Note: Liability in respect of leave encashment at the end of the current year amounts to Rs. 10,549,574 (previous year Rs. 6,988,697)

7. Managerial Remuneration

Amount (Rs.)

Particulars	Amount as at 31 March 2011	Amount as at 31 March 2010
Whole time directors and managing director :		
Salary and other allowances	18,925,200	16,897,200
Expenditure on rent free accommodation	3,600,000	3,600,000
Value of Perquisites	947,312	993,521
Sub-total	23,472,512	21,490,721
Less : Amount transfer to loans and advances being the excess managerial remuneration paid to directors held in trust by directors for the Company.	4,732,590	—
Total	18,739,922	21,490,721

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. 370,000 (Previous year : Rs. 365,000).
- The remuneration paid by the Company to its executive directors during the year ended 31 March 2011 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 4,732,590. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. 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 2011, the final outcome of the matter cannot presently be determined.

8. Calculation of Minority Interest

(i) Almondz Commodities Private Limited

Amount (Rs.)

Particulars	As at 31 March 2011	As at 31 March 2010
Share capital	2,600,000	100,000
Reserves balance as at 31 March 2010	(1,285,907)	(73,167)
Post acquisition profits for the year ended 31 March 2011	192,314	(8,923)
Balance as at 31 March 2011	1,506,407	17,910

(ii) Almondz Insurance Brokers Private Limited :

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

Amount (Rs.)

Particulars	As at 31 March 2011	As at 31 March 2010
Share Capital	1,000	991,000
Profit upto 22 January 2010	—	317,113
Profit from 23 January 2010 till 31 March 2010	—	(80,627)
Reserve balance as at 31 March 2010	239	—
Post acquisition profits for the year ended 31 March 2011	193	—
Balance as at 31 March 2011	1,432	1,227,486

AIBPL Minority interest			Amount (Rs.)
Particulars	As at 31 March 2011	As at 31 March 2010	
Share capital	8,820,000	8,820,000	
Reserve and surplus	14,178,252	15,763,892	
Add / (Less) : Profit / (losses) from 23 January 2010 till 31 March 2010	—	(688,775)	
Post acquisition profits for the year ended 31 March 2011	1,291,012	—	
Add : Share in profit of sale in investments	341,191	—	
Balance as at 31 March 2011	24,630,455	23,895,117	

9. Details of income and expenditure in foreign currency

Income earned in foreign currency

Amounts (Rs.)

S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
1	Professional fee received	220,500	—
2	Brokerage	12,323,670	14,636,556
3	Consultancy fee	2,081,316	—
	Total	14,625,486	14,636,556

Expenditure incurred in foreign currency

Amounts (Rs.)

S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
1	Travelling	163,253	268,204
2	Membership & subscription	751,530	47,129
3	Books and periodicals	—	5,285
4	Professional and legal fee	23,463,040	—
5	Business promotion	41,298	—
6	Bank charges	54,902	62,515
7	E-reinsured expenses	87,908	120,122
8	Conference expenses	—	33,506
	Total	24,561,931	536,761

10. 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 2010*	31 March 2009**
1	3,091,500	1,298,430	927,450

* Amount of dividend net of tax of Rs. 220,668 for the year ended 31 March 2010 remitted during the year ending 31 March 2011.

** 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.

11. Deferred tax

Amounts (Rs.)

Components	As at 31 March 2011		As at 31 March 2010	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Fixed Assets	—	(17,219,870)	—	(11,924,366)
Provision for doubtful debts	1,184,072	—	982,316	—
Provision for diminution in investments	4,343,884	—	4,448,766	—
Stamp duty under protest	2,546,617	—	1,910,715	—
Provision for retirement benefits	5,782,405	—	3,366,602	—
Others	2,642,894	—	3,472,945	—
Miscellaneous expenditure to the extent not written off or adjusted	313,352	—	316,820	—
Total	16,813,224	(17,219,870)	14,498,164	(11,924,366)
Net deferred tax (liability) / asset	(406,646)		2,573,798	

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 2011	Year ended 31 March 2010
Net profit after tax available for equity shareholders (Rs.) (A)		95,579,875	109,792,605
Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation (Nos.) (B)		25,471,973	25,288,433
Weighted average number of shares added during the year (Nos.)		83,169	—
Weighted average number of equity shares for Basic Earnings per share (Nos.) (C)		25,555,142	25,288,433
Add: Weighted average number of potential equity shares that could arise on conversion of employee stock option granted (Nos.)		151,646	188,012
Weighted average number of equity shares for Diluted Earnings per share (Face value of Rs. 6 each) (Nos.) (D)		25,706,788	25,476,445
Basic Earnings per share (Rs.) (A/C)		3.74	4.34
Diluted Earnings per share (Rs.) (A/D)		3.72	4.31

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

Amount (Rs.)

S. No	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
	Statutory Auditors		
1.	As Auditors	1,762,700	1,868,003*
2.	Others	650,000	—
3.	Out of pocket expenses	129,070	137,841
	Total	2,541,770	2,005,844

* Include Rs. 100,000 being consolidation fee for the year ended 31 March, 2009.

14. 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 till 11 June 2010)

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

- Almondz Capital and Management Services Limited (till 22 January 2010)
- Almondz Capital and Management Services Limited (w.e.f. 12 June 2010)

(iii) Associates :

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

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

- Innovative Money Matters Private Limited
- Shiivaz 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
- Mr. Atul Vijay Singh

(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)
- Mr. R. C. Jain
- Ms. Ritu Jain
- Mr. Surinderjeet Singh
- Mrs. Bimla Kaur
- Mr. Manpreet Singh

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 2011	31 March 2010
1)	Transactions during the year		
(A)	Income	13,088,082	56,105,536
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	745,438	1,169,015
	Holding company	157,808	417,535
	Almondz Capital and Management Services Limited	157,808	417,535
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	—	751,480
	Shivaz Spas & Hospitality Private Limited	—	751,480
	Investing parties in respect of which the company is an associate	587,630	—
	Almondz Capital and Management Services Limited	587,630	—
c	Dividend Received	—	109,500
	Associates	—	109,500
	Almondz Insurance Brokers Private Limited	—	109,500
d	Recovery of reimbursable expenses	17,435	1,220,847
	Holding company	—	15,574
	Almondz Capital & Management Services Limited	—	15,574
	Investing parties in respect of which the company is an associate	17,435	—
	Almondz Capital and Management Services Limited	17,435	—
	Associates	—	1,205,273
	Almondz Insurance Brokers Private Limited	—	1,205,273
e	Brokerage received	11,862,162	3,112,528
	Holding company	3,122,581	3,059,934
	Almondz Capital and Management Services Limited	3,122,581	3,059,934
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	—	6,200
	Innovative Money Matters Private Limited	—	6,200
	Investing parties in respect of which the company is an associate	8,688,445	—
	Almondz Capital and Management Services Limited	8,688,445	—
	Key Managerial Personnel	37,395	33,305
	Jagdeep Singh	32,361	24,973
	Vinay Mehta	5,034	7,332
	Navjeet Singh Sobti	—	1,000
	Relatives of Key Managerial Personnel	13,740	13,089
	Parmeet Kaur	3,614	9,432
	Manpreet Singh	8,954	—
	Jagdeep Singh (HUF)	1,162	2,182
	Others	10	1,475
f	Delay payment charges received on broking activities	448,706	315,276
	Holding company	123,754	305,495
	Almondz Capital and Management Services Limited	123,754	305,495
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	9	7,940

Amount (Rs.)

S. No.	Particulars	31 March 2011	31 March 2010
	Innovative Money Matters Private Limited	9	7,940
	Investing parties in respect of which the company is an associate	323,420	—
	Almondz Capital and Management Services Limited	323,420	—
	Key Managerial Personnel	1,429	1,146
	Jagdeep Singh	1,429	1,146
	Relatives of Key Managerial Personnel	95	695
	Parmeet Kaur	15	683
	Others	80	12
g	Depository charges received on broking activities	14,340	8,302
	Holding company	1,545	6,427
	Almondz Capital and Management Services Limited	1,545	6,427
	Enterprises over which Key Managerial Personnel are able to exercise significant influence	276	1,103
	Innovative Money Matters Private Limited	276	1,103
	Investing parties in respect of which the company is an associate	11,245	—
	Almondz Capital and Management Services Limited	11,245	—
	Key Managerial Personnel	718	337
	Jagdeep Singh	604	233
	Vinay Mehta	79	104
	Navjeet Singh Sobti	35	—
	Relatives of Key Managerial Personnel	556	435
	Parmeet Kaur	238	295
	Bulbuldhair Mehta	—	50
	Jagdeep Singh (HUF)	53	64
	Surinderjeet Singh	62	13
	Bimla Kaur	49	13
	Manpreet Singh	154	—
(B)	Expenditure	104,128,900	41,636,729
a	Purchase of Shares / Securities	50,693,356	—
	Holding company	50,693,356	—
	Almondz Capital and Management Services Limited	50,693,356	—
b	Managerial Remuneration	31,368,514	29,252,039
	Key Managerial Personnel	31,133,514	28,946,939
	Navjeet Singh Sobti	10,339,922	9,724,909
	Jagdeep Singh	4,846,290	4,408,362
	Vinay Mehta	8,286,300	7,357,450
	Salil Ranjan Das	3,621,396	3,791,918
	Others	4,039,606	3,664,300
	Relative of Key Managerial Personnel	235,000	305,100
	Anu Jain	235,000	305,100
c	Rent Expenses	5,883,216	5,883,216
	Holding company	496,350	2,283,216
	Almondz Capital & Management Services Limited	496,350	2,283,216
	Investing parties in respect of which the company is an associate	1,786,866	—
	Almondz Capital & Management Services Limited	1,786,866	—
	Relatives of Key Managerial Personnel	3,600,000	3,600,000

		Amount (Rs.)	
S. No.	Particulars	31 March 2011	31 March 2010
	Gurpreet N S Sobti	3,600,000	3,600,000
d	Dividend Paid	9,009,950	4,098,980
	Holding company	—	3,730,046
	Almondz Capital & Management Services Limited	—	3,730,046
	Investing parties in respect of which the company is an associates	5,314,392	—
	Almondz Capital and Management Services Limited	5,314,392	—
	Associates	—	10,000
	Almondz Insurance Brokers Private Limited	—	10,000
	Key Managerial Personnel	711,078	137,645
	Navjeet Singh Sobti	21,294	15,835
	Jagdeep Singh	119,784	86,185
	Rohit Jain	570,000	35,625
	Relatives of Key Managerial Personnel	2,984,480	221,289
	Gurpreet N S Sobti	21,000	15,000
	R C Jain	270,000	—
	R C Jain & Sons (HUF)	360,000	22,500
	Rohit Jain (HUF)	480,000	30,000
	Veena Jain	908,000	56,750
	Anu Jain	600,000	37,500
	Others	345,480	59,539
e	Interest paid	7,173,864	1,330,274
	Holding company	268,734	1,330,274
	Almondz Capital and Management Services Limited	268,734	1,330,274
	Investing parties in respect of which the company is an associate	6,905,130	—
	Almondz Capital and Management Services Limited	6,905,130	—
f	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 Private Limited 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	424,600,000	189,500,000
	Holding company	26,800,000	189,500,000
	Almondz Capital & Management Services Limited	26,800,000	189,500,000
	Investing parties in respect of which the company is an associate	397,800,000	—
	Almondz Capital & Management Services Limited	397,800,000	—

Amount (Rs.)

S. No.	Particulars	31 March 2011	31 March 2010
c	Loans repaid during the year	393,350,000	189,500,000
	Holding company	26,200,000	189,500,000
	Almondz Capital & Management Services Limited	26,200,000	189,500,000
	Investing parties in respect of which the company is an associate	367,150,000	—
	Almondz Capital & Management Services Limited	367,150,000	—
d	Loan Given	436,150,000	415,000,000
	Holding company	—	415,000,000
	Almondz Capital and Management Services Limited	—	415,000,000
	Investing parties in respect of which the company is an associate	436,150,000	—
	Almondz Capital & Management Services Limited	436,150,000	—
e	Loan recovered during the year	416,150,000	335,000,000
	Holding company	80,000,000	335,000,000
	Almondz Capital and Management Services Limited	80,000,000	335,000,000
	Investing parties in respect of which the company is an associate	336,150,000	—
	Almondz Capital & Management Services Limited	336,150,000	—
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
h	Share Capital received	2,500,000	—
	Investing parties in respect of which the company is an associate	2,500,000	—
	Almondz Capital and Management Services Limited	2,500,000	—
2)	Closing balances		
a	Debtors / Receivables	4,815	1,757
	Relatives of Key Managerial Personnel	4,723	—
	Jagdeep Singh	4,688	—
	Others	35	—
	Relatives of Key Managerial Personnel	92	1,757
	Parmeet Kaur	—	652
	Others	92	1,105
b	Creditors / Payables	3,064,445	1,789,679
	Holding company	—	1,369,507
	Almondz Capital and Management Services Limited	—	1,369,507
	Investing parties in respect of which the company is an associate	3,052,478	—
	Almondz Capital and Management Services Limited	3,052,478	—
	Key Managerial Personnel	—	403,784
	Jagdeep Singh	—	403,784
	Others	—	—
	Relatives of Key Managerial Personnel	11,967	16,388
	Jagdeep Singh (HUF)	3,011	13,104
	Parmeet Kaur	8,956	—
	Bulbul Dhir Mehta	—	2,784

		Amount (Rs.)	
S. No.	Particulars	31 March 2011	31 March 2010
	Others	—	500
c	Margin money recoverable	1,287,140	—
	Investing parties in respect of which the company is an associate	1,287,140	—
	Almondz Capital and Management Services Limited	1,287,140	—
d	Loan Liabilities	31,250,000	—
	Investing parties in respect of which the company is an associate	31,250,000	—
	Almondz Capital and Management Services Limited	31,250,000	—
e	Loan and Advances	100,000,000	80,334,192
	Holding company	—	80,334,192
	Almondz Capital and Management Services Limited	—	80,334,192
	Investing parties in respect of which the company is an associate	100,000,000	—
	Almondz Capital and Management Services Limited	100,000,000	—
f	Advance recoverable in cash or in kind (Amount held in trust)	4,732,590	—
	Key Managerial Personnel	4,732,590	—
	Vinay Mehta	4,086,300	—
	Jagdeep Singh	646,290	—
g	Employee stock options granted during the year (in numbers)	—	250,000
	Key Managerial Personnel	—	250,000
	Jagdeep Singh	—	250,000
h	Employee stock options exercise during the year (in numbers)	25,000	—
	Key Managerial Personnel	25,000	—
	Jagdeep Singh	25,000	—
i	Employee stock options outstanding (in numbers)	1,725,000	1,750,000
	Key Managerial Personnel	1,725,000	1,750,000
	Vinay Mehta	1,000,000	1,000,000
	Jagdeep Singh	725,000	750,000

15. Segment Reporting

For the year ended 31 March 2011

Amount (Rs.)

Particulars	Debt and equity market operation	Corporate finance and advisory fee	Distribution operation	Equity broking division	Commodity broking operation	Insurance broking operation	Unallocable	Total
Segment Revenue								
Segment Revenue	152,963,751	322,610,546	144,181,641	169,074,604	21,541,037	148,740,301	—	959,111,880
Segment Results								
Segment Results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income)	90,265,899	154,927,646	22,583,252	(32,562,754)	3,247,649	32,696,217	(127,650,215)	143,507,694
Add : Interest income	—	—	3,527,587	599,507	121,068	1,953,696	34,320,867	40,522,725
Less : Interest expenses	3,781,610	—	—	3,391,962	258,493	318,352	34,584,499	42,334,916
Less : Prior period expenses (net of income)	(118,404)	738,131	(108,718)	15,889	12,135	(291,080)	28,788	276,741
Profit before tax	86,602,693	154,189,515	26,219,557	(35,371,098)	3,098,089	34,622,641	(127,942,635)	141,418,762
Less : Provision for tax for the Year	—	—	—	—	—	—	41,561,431	41,561,431
Less : Prior period tax	—	—	—	—	—	—	1,048,148	1,048,148
Net Profit after tax	86,602,693	154,189,515	26,219,557	(35,371,098)	3,098,089	34,622,641	(170,552,214)	98,809,183
Other Information								
Segmental assets	501,899,222	74,818,966	85,882,206	423,037,381	45,257,840	127,701,449	866,501,588	2,125,098,652
Segmental liabilities	225,490,414	12,906,567	39,636,105	155,429,259	36,698,473	100,011,703	458,278,866	1,028,451,387
Capital expenditure	—	—	—	11,809,576	284,199	4,148,101	345,962,187	362,204,063
Depreciation	—	—	—	11,416,513	313,863	782,563	15,791,590	28,304,529
Non cash expenditure other than depreciation (net of non-cash income)	—	7,299,825	(261,702)	6,399,156	329,020	3,170,088	6,878,320	23,814,707

For the year ended 31 March 2010

Amount (Rs.)

Particulars	Debt and equity market operation	Corporate finance and advisory fee	Distribution operation	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	—	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	—	—	2,459,424	266,297	1,100,335	454,055	2,848,359	7,128,470
Less : Interest Expenses	2,583,633	—	—	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	—	—	—	—	—	—	58,637,730	58,637,730
Less : Prior Period Tax	—	—	—	—	—	—	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	—	—	—	8,716,462	440,051	335,050	7,337,678	16,829,241
Depreciation	—	—	—	9,724,324	214,312	125,675	9,255,273	19,319,584
Non cash expenditure other than depreciation (net of non-cash income)	—	5,218,858	132,500	110,694	55,780	2,820,279	8,558,453	16,896,564

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 Reserve Bank of India ('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'

16. 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 2011	Year Ended 31 March 2010
Lease payments for the year	41,586,816	48,253,104
Minimum Lease payments due-	—	—
Not later than one year	29,006,454	39,820,464
Later than one year but not later than five years	69,884,550	109,927,846
Later than five years	14,622,610	46,655,470

17. 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 2011.
18. 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 pursuant to order dated 5 February 2008 of the Hon'ble High Court of Delhi. The paid-up equity share capital of AGSL as on 31 March 2010 was 25,321,767 equity shares of Rs 6 each. Under sub-section (3) of Section 42 of the Companies Act, 1956, AIBPL does not have any right to vote at meetings of the AGSL. Therefore, the number of equity shares comprising paid-up share capital of AGSL as at 31 March 2010 and carrying voting rights was reduced to 25,288,433 equity shares. During the year ended 31 March 2011, AIBPL has disposed of 20,340 shares of AGSL. Accordingly, the number of equity shares outstanding has increased to 25,321,767 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 balance 12,994 equity shares held by AIBPL were reduced from the share capital of AGSL to eliminate holding of AIBPL in AGSL.

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 Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholtime Director

Place : Gurgaon
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

ALMONDZ GLOBAL SECURITIES LIMITED

(Consolidated financial statements) Financial year ended 31 March 2011

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	175.00	2,000.00	5.00	180.00	200.00
Reserves of the Subsidiary	—	124.23	—	229.44	86.26
Total Assets of the Subsidiary	528.74	6,306.45	5.17	967.84	629.88
Total Liabilities of the Subsidiary	353.73	4,182.22	0.17	558.40	343.62
Investments (other than in subsidiary companies)	—	200.00	—	3.90	—
Total Turnover	217.09	870.50	0.28	1,263.44	260.03
Profit/(Loss) before taxation	15.68	215.67	0.21	243.79	55.69
Provision for taxation (including Deferred Tax and Fringe Benefit tax)	2.74	57.94	0.04	77.57	17.15
Profit/(Loss) after taxation	12.94	157.73	0.16	166.22	38.54
Proposed dividend	—	—	—	153.00	—

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

Rajiv Lochan Jha
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011

Place : New Delhi
Date : 28th May, 2011



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 17th Annual General Meeting of the Company to be held on Thursday, the 29th day of September, 2011 at 12.30 P.M. and at any adjournment thereof.

Signed this.....day of.....2011

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 17th Annual General Meeting of the Company being held on Thursday, the 29th day of September 2011 at 12.30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054

Client I. D.No.

D. P. I. D. No.....

Signature of the Shareholder/Proxy

Notes :

1. Members are requested to bring their copies of Annual Report to the meeting.
2. Members having any queries on accounts are requested to send them seven days in advance to the Company to enable it to make the relevant information ready.