

## Corporate Information

|   |   |
|---|---|
| <b>Board of Directors</b>                   | <hr/> Mr. Govind Prasad Agrawal – Non-Executive Chairman<br>Mr. Ramesh Peer – Managing Director<br>Mr. Harjit Singh Sudershan Sethi* – Non-Executive Director<br>Mr. Chand Krishna Tikku – Non-Executive & Independent Director<br>Mr. Sanjay Grover – Non-Executive & Independent Director<br>Mr. Shiam Sunder Lal Gupta – Non-Executive & Independent Director<br><hr/> <p>* Mr. Harjit Singh Sudershan Sethi has been appointed as an Additional Director of the Company w.e.f. 29th May, 2010</p> <hr/> |
| <b>Auditors</b>                             | <hr/> M/s. H. V. & Associates<br>Chartered Accountants<br>324, Dhaka Chambers,<br>2068/38, Naiwala, Karol Bagh,<br>New Delhi-110 005<br><hr/>   |
| <b>Company Secretary</b>                    | <hr/> Mr. Ajay Pratap<br><hr/>  |
| <b>Bankers</b>                              | <hr/> HDFC Bank Ltd.<br>AXIS Bank Ltd.<br><hr/>   |
| <b>Registrar &amp; Share Transfer Agent</b> | <hr/> M/s. Beetal Financial & Computer Services Pvt. Ltd.<br>"Beetal House", 3rd Floor, 99 Madangir,<br>Behind Local Shopping Centre,<br>Near Dada Harsukhdas Mandir,<br>New Delhi-110 062<br><hr/>   |
| <b>Registered Office</b>                    | <hr/> 4A, 3rd Floor, 3 Scindia House,<br>Janpath, New Delhi-110 001<br><hr/>  |

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## Notice

NOTICE is hereby given that the 18th Annual General Meeting of the Members of ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED will be held on Tuesday the 28th day of September, 2010, at 4.30 P. M. at P.H.D. Chambers of Commerce & Industry, P.H.D. House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016, to transact the following business :

### 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 31st March 2010 and the Profit and Loss Account of the Company for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted."
2. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Sanjay Grover, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
3. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the retiring Auditors M/s. H. V. & Associates, Chartered Accountants, New Delhi, 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 :

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Harjit Singh Sudershan Sethi, 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."

By Order of the Board of Directors

New Delhi  
13th August, 2010

**Ajay Pratap**  
Company Secretary

### NOTES :

1. 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. THE INSTRUMENT APPOINTING THE PROXY, IN WRITING, SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement for Item No. 4 of this Notice is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
5. 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.
6. Members who hold shares in the Dematerialised form, are requested to write their Client ID and DP ID Numbers and those who hold shares in the Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. All documents referred to in the accompanying Notice shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Register of Members of the Company will remain closed from 18th September 2010 to 28th September 2010 (both days inclusive).
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Members are requested to intimate the Registrar and Share Transfer Agent of the Company - 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 , immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in Dematerialised form.
11. Re-appointment / Appointment of Directors :  
At the ensuing Annual General Meeting, Mr. Sanjay Grover, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment. Mr. Sanjay Grover does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

Mr. Harjit Singh Sudershan Sethi, appointed as an Additional Director is proposed to be appointed as a Director liable to retire by rotation.

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

By Order of the Board of Directors

New Delhi  
13th August, 2010

**Ajay Pratap**  
Company Secretary

## Explanatory Statement

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

### Item No. 4

Mr. Harjit Singh Sudershan Sethi was appointed as an Additional Director of the Company on 29.05.2010. He is having more than 18 years of experience in capital market and related services. Mr. Harjit Singh Sudershan Sethi is a Commerce graduate and LLB (Gold Medalist) from Mumbai University. He is presently serving Almondz Global Securities Ltd., as Country Head-Institutional Broking and is also on the Board of Bosuna Investors Guild Pvt. Ltd., Beaux Investors Guild Pvt. Ltd. and Bamtam Trading Co. Pvt. Ltd. .

Period of office of Mr. Harjit Singh Sudershan Sethi expires on the commencement of the ensuing Annual General Meeting. It is proposed to appoint him as a Director of the Company, liable to retire by rotation, at the forth coming Annual General Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956, in respect of his appointment as an Ordinary Director, liable to retire by rotation, at the forthcoming Annual General Meeting. Further, in terms of Clause 49 (IV)(E)(v)

of the revised Clause 49 of the Listing Agreement, Mr. Harjit Singh Sudershan Sethi has intimated to the Board that he is not holding any shares of the Company.

Therefore, the Board of Directors recommended the Resolution for the members' approval.

None of the Directors, except Mr. Harjit Singh Sudershan Sethi, is concerned or interested in the said Resolution.

By Order of the Board of Directors

New Delhi  
13th August, 2010

**Ajay Pratap**  
Company Secretary

## Directors' Report

### To the Members,

The Board of Directors of your Company have pleasure in presenting the 18th Annual Report of the Company alongwith the Audited statement of accounts and the Auditor's Report for the year ended 31st March, 2010.

### FINANCIAL HIGHLIGHTS

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

|   | (Rs. in Lacs)            |                          |
|---|--------------------------|--------------------------|
|   | Year ended<br>31.03.2010 | Year ended<br>31.03.2009 |
| Gross Income  | 773.74                   | 91.21                    |
| <b>Profit before Interest, Depreciation &amp; Tax</b> | <b>475.36</b>            | 54.09                    |
| Less / (Add) : Prior Period Items expenses / (income) | (0.76)                   | (0.78)                   |
| Less : Interest                                       | 349.13                   | 0.07                     |
| Less : Provision / Reversal of Depreciation           | (2.78)                   | 1.54                     |
| Less : Provisions of net of MAT credit (Taxes)        | (13.70)                  | 3.55                     |
| <b>Net Profit after Tax</b>                           | <b>143.47</b>            | 49.71                    |
| Less : Special Reserve (U/s 45-1C, RBI Act, 1934)     | 28.69                    | 9.94                     |
| Profit Brought Forward                                | 497.75                   | 457.98                   |
| Balance carried forward to Balance Sheet              | 612.53                   | 497.75                   |

### RESULTS & PERFORMANCE OF THE COMPANY

The results of your Company have improved as compared to previous year's results. The Company proposes to make all its efforts to sustain the trend of growth at a good pace in the coming years.

Total revenues for the year ended March, 31, 2010 amounted to Rs. 773.74 Lacs as compared to Rs. 91.21 Lacs in the previous year.

Profit before interest, depreciation and taxes for the financial year 2010, amounted to Rs. 475.36 Lacs. The Profit after Tax for the financial year is 143.47 Lacs as against Rs. 49.71 Lacs in the previous financial year, however, for the financial year ended 31st March, 2010, the surplus carried to the Balance Sheet amounted to Rs. 612.53 Lacs as against the surplus of Rs. 497.75 Lacs in the last financial year ended 31st March, 2009. The higher revenue and profit is largely attributable to income from trading of shares and securities.

### RBI GUIDELINES

The Company is registered with Reserve Bank of India as a NBFC and is holding Certificate of Registration issued by Reserve Bank of India under Section 45 IA of the RBI Act, 1934. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

### INVESTMENTS

Total investments of the Company is Rs. 34.43 crores, which includes investments in Group/subsidiaries of Rs. 34.41 crores.

The market value of investment in quoted shares as on 31.03.2010 is Rs. 65.98 Crores and cost of investment in unquoted shares as on 31.03.2010 is Rs. 20.73 Lacs.

### DIVIDEND

In order to conserve the resources, your Directors have decided not to recommend any dividend on the Equity Shares of the Company for the current financial year.

### SHARE CAPITAL

During the year 2009-10 the Company after taking approval of the shareholders in the General meeting held on 18th May 2009, issued 1755000 warrants on 28th May 2009, to two body corporates, other than Promoters. The said warrants were issued with a right to subscribe equal number of equity shares of Rs. 10/- each on conversion within a period of 18 months from the date of allotment of these warrants.

The Company has converted the aforesaid warrants and issued 1755000 equity shares of the Company on 10th May 2010.

The Company after obtaining the approval of the members issued 2000000 convertible warrants on 21st May 2010 to one of the Promoters and to two other members other than promoters. The said warrants were issued @ Rs. 23.54 per warrant with a right to subscribe equal number of equity shares of Rs. 10/- each on conversion within a period of 18 months from the date of allotment of these warrants.

### ISSUE OF NCDs

Your Company had issued 3500000 secured non convertible debentures of Rs. 100/- each aggregating to Rs. 35 Crores, through private placement. The said NCDs were redeemed within the time period.

## **FIXED DEPOSITS**

Your Company has neither accepted any Public Deposits during the year nor the Company has any plan to accept any fixed deposits from the public.

## **SUBSIDIARY COMPANIES**

During the Financial Year ended March 31, 2010, the Company incorporated its two wholly owned subsidiaries Moon Orchid Housing Private Limited and Meadow Real Estate Private Limited on December 1, 2009.

Both the Companies will be engaged in the real estate business.

These subsidiary companies are non-material unlisted subsidiaries of the Company.

In the group company namely Almondz Global Securities Limited (AGSL), your Company Almondz Capital & Management Services Ltd. (ACMS) held 49.97% of voting rights, Almondz Insurance Brokers Pvt. Ltd. (AIBPL) held 0.13% voting rights and rest voting rights of 49.90% was with others as on 31st March 2010. As per Section 42(3) of the Companies Act, 1956, AIBPL being subsidiary of AGSL did not have right to vote on those shares, accordingly total voting rights in AGSL reduced by 0.13% resulting into increase in voting power of ACMS to 50.03% in AGSL and thus AGSL became a subsidiary of ACMS in terms of provisions of Section 4 of the Companies Act, 1956.

Accordingly as per the provisions of Section 4(1)(c) of the Companies Act, 1956 all the 5 subsidiaries of AGSL also became subsidiaries of ACMS as on 31st March 2010.

However, Almondz Insurance Brokers Pvt. Ltd. (AIBPL) has sold some of its shares on 10-06-2010 resulting its holding in AGSL reduced to 0.05% and accordingly total voting rights in AGSL reduced by 0.05%. Out of total voting rights, ACMS has only 49.99% voting rights in AGSL and accordingly AGSL and all its subsidiaries ceased to be subsidiaries of ACMS w.e.f.10-06-2010.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report. In view of this and in accordance with the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the Subsidiary Companies, have not been attached to the Balance Sheet of your Company. The financial information relating to all the Subsidiary Companies, in the aggregate, has been disclosed in the consolidated financial statements, as required by the Central Government as part of its approval. The consolidated financial statement attached to this Annual Report is prepared in compliance with Accounting Standard and Listing Agreement prescribed by SEBI.

Further,

- The details of accounts of all the Subsidiary Companies have been posted by your Company on its website – [www.almondzcapital.com](http://www.almondzcapital.com)
- The annual accounts of the Subsidiary Companies and related detailed information will be made available to the members upon request.

- Annual accounts of the Subsidiary Companies will be available for inspection by the members, at the head offices of the Company and the Subsidiary Companies concerned.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report, covering matters listed in Clause 49 of the Listing Agreement for the year under review, is given as a separate statement elsewhere in the Annual Report.

## **DIRECTORS**

Mr. Harjit Singh Sudershan Sethi was appointed as an Additional Director by the Board with effect from May 29, 2010. In accordance with Section 260 of the Companies Act, 1956, he will hold office only up to the date of the ensuing Annual General Meeting. Being eligible, he offers himself for re-appointment.

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the Company Mr. Sanjay Grover retires at the 18th Annual General Meeting and being eligible offers himself for reappointment.

A brief resume of the Directors being appointed / re-appointed, nature of their expertise in the specific functional areas is mentioned in the Corporate Governance section. Other details of Directors and names of companies in which they hold the Directorship and / or Membership / Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement, is given in the Statement of Corporate Governance elsewhere in the Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed :

- that in preparation of the Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards have been followed alongwith the proper explanation relating to the material departures;
- that the Directors have selected such accounting policies 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 and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

## **AUDITORS AND AUDITORS' REPORT**

M/s H. V. & Associates, Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting are recommended to be re-appointed as Auditors of the Company. A letter from them confirming that, if they are re-appointed as the Statutory auditors

of the Company, such appointment will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956, and they are not disqualified in terms of Section 226 of the Companies Act, 1956, from being appointed as the Statutory Auditors of the Company, has been received.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

#### **STATUTORY STATEMENT**

The statements, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable to your Company.

Your Company has not paid any remuneration to any of the employees of the Company attracting the provisions of Companies (Particulars of Employees) Rules, 1975, read with Section 217 (2A) of the Companies, Act, 1956, as amended to date. Hence, no information is required to be appended to the Report in this regard.

Your Company has not accepted any Fixed Deposits during the year under review.

The Equity shares of the Company are listed at Delhi Stock Exchange Ltd., and Bombay Stock Exchange Ltd. and the Annual Listing fees have been paid to each of these Stock Exchanges.

#### **CORPORATE GOVERNANCE**

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

The Report on Corporate Governance forms part of the Directors' Report, and is annexed herewith.

As required by the Listing Agreement, Auditors' Report on Corporate Governance and a declaration by the Managing Director with regard to Code of Conduct are attached to the said Report. The Management Discussion & Analysis is given as a separate statement forming part of the Annual Report.

Further, as required under Clause 49 of the Listing Agreement, a certificate, duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2010, was submitted to the Board of Directors at their meeting held on August 13, 2010. The certificate is attached to the Report on Corporate Governance.

#### **GROUP**

The following persons constitute the Group pursuant to Regulation 3(1)(e) of SEBI (substantial acquisition of shares and takeovers) Regulations, 1997 :

Mr. Navjeet Singh Sobti

Ms. Gurpreet N S Sobti

Innovative Money Matters Pvt. Ltd.

Almondz Global Securities Ltd.

## **ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED**

or any other Company, firm or trust promoted or controlled by the above.

#### **ACKNOWLEDGEMENT**

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation received from the Banks and Financial Institutions, for the continued enthusiasm, total commitment, dedication and efforts of the employees of the Company. We are also deeply grateful for the continued confidence and faith reposed on us by the Shareholders.

For and on behalf of the Board of Directors

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director

New Delhi  
13th August, 2010

## Corporate Governance Report

### COMPANY'S PHILOSOPHY ON GOVERNANCE

The Company believes in transparency, professionalism and accountability, which are the basic principles of corporate governance. The Company would constantly endeavour to improve on these aspects.

### BOARD OF DIRECTORS

#### (a) Composition :

The Board of Directors is constituted as per the provisions of Clause 49 of the Listing Agreement. There is optimum combination of Executive and non Executive Directors. The Board is presently comprises of 6 Directors, including 1 Executive Director and 5 Non Executive Directors, of which 3 are independent Directors. The Directors have expertise in their functional areas and bring a wide range of the skills and experience on the Board.

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. As required under Clause 49 of the Listing Agreement, necessary

disclosures regarding committee positions have been made by the Directors.

#### Meetings and Attendance

During the year, the Board of Directors met 7 times, on 20th April, 2009, 30th June, 2009, 30th July, 2009, 28th August 2009, 12th October 2009, 29th October, 2009 & 30th January, 2010. The gap between two Board Meetings was within the maximum time gap prescribed in Clause 49 of the Listing Agreement.

#### Categories and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review along with the number of Directorships and committee memberships held by them in other companies as on 31st March 2010 are given hereunder. The Directorships in other companies exclude those held in private limited companies, association, companies incorporated outside India and alternate directorships. The Chairmanship / Memberships include membership of Audit and Shareholders' / Investor Grievance Committees.

| Name of Directors                 | Category               | Attendance at Board Meetings |          | No. of Directorships in other Public Companies | No. of Membership/ Chairmanship in Committees of Board of Public Companies |        | Whether Present in Annual General Meeting |
|-----------------------------------|------------------------|------------------------------|----------|--|--|--------|---|
|                                   |                        | Held                         | Attended |  | Chairman   | Member |   |
| Mr. Ramesh Peer                   | Managing Director      | 7                            | 7        | —  | —  | —      | Yes                                       |
| Mr. Chand Krishna Tikku           | Non-Executive Director | 7                            | 7        | 1  | —  | 1      | No  |
| Mr. Govind Prasad Agrawal         | Non-Executive Director | 7                            | 7        | 4  | —  | 2      | Yes                                       |
| Mr. Sanjay Grover                 | Non-Executive Director | 7                            | 6        | —  | —  | —      | Yes                                       |
| Mr. Shiam Sunder Lal Gupta        | Non-Executive Director | 7                            | 7        | 2  | 1  | —      | No  |
| Mr. Harjit Singh Sudershan Sethi* | Non-Executive Director | N. A.                        | N. A.    | —  | —  | —      | N. A.                                     |

\* Mr. Harjit Singh Sudershan Sethi was appointed as an Additional Director of the Company w.e.f. 29th May, 2010

#### (b) Brief Particulars of Directors Being Appointed / Re-appointed

Information in case of appointment / reappointment of Director as required under Listing Agreement.

Mr. Harjit Singh Sudershan Sethi was appointed as an Additional Director of the Company w.e.f. 29-05-2010. He will hold office only up to the date of the ensuing Annual General Meeting. Being eligible, he offers himself for re-appointment.

Mr. Sanjay Grover retires by rotation at the ensuing General Meeting and being eligible offers himself for reappointment.

A brief resume and other information of Mr. Harjit Singh Sudershan Sethi and Mr. Sanjay Grover as required under Clause 49 (VI)(G) is as under :

#### Mr. Harjit Singh Sudershan Sethi

Mr. Harjit Singh Sudershan Sethi is having more than 18 years of experience in capital market and related services.

Mr. Harjit Singh Sudershan Sethi is a Commerce graduate and LLB (Gold Medalist) from Mumbai University. He is presently serving Almondz Global Securities Ltd., as Country Head-Institutional Broking and is also on the Board of Bosuna Investors Guild Pvt. Ltd., Beaux Investors Guild Pvt. Ltd. and Bamtam Trading Co. Pvt. Ltd.

#### Mr. Sanjay Grover

Mr. Sanjay Grover is a Fellow Member of The Institute of Company Secretaries of India as well as a Fellow Member of The Institute of Chartered Accountants of India. Presently Mr. Sanjay Grover is a Central Council Member of The Institute of Company Secretaries of India. Mr. Sanjay Grover is a Company Secretary in Whole time practice having rich experience in corporate field.

Mr. Sanjay Grover is Proprietor of the Sanjay Grover and Associates and also serves on the Board of SGA Consulting Pvt. Ltd.

### **Committees of the Board**

The Board of Directors has constituted 6 Committees of the Board viz.

- Audit Committee
- Remuneration Committee
- Share Transfer and Shareholders' Grievance Committee
- Committee for Further Issue of Shares
- Management Committee
- Debenture Committee

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman / Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

### **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company, inter-alia provides assurance to the Board on the adequacy of the internal control system and financial disclosure.

The terms of reference of the Audit Committee of the Company are wide enough to cover the matters as specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956 which are broadly are 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 auditor 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.

- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **COMPOSITION**

The committee presently comprises of 4 Non Executive Members namely Mr. Sanjay Grover, Mr. Chand Krishna Tikku, Mr. Govind Prasad Agrawal and Mr. Shiam Sunder Lal Gupta. Except Mr. Govind Prasad Agrawal, all members are Independent Directors.

The Committee members have requisite experience in the fields of Finance and Accounts, Banking and Management. The Audit Committee met 4 times during the year.

The quorum of the Committee is 1/3rd of the total strength of the Committee or 2 members, whichever is higher and minimum of two independent Directors. Mr. Sanjay Grover, who is a non-executive and independent Director, having sufficient accounting and financial management expertise and was elected as the Chairman of the Committee for all its meetings. The terms of reference of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 as well as with the requirements of Clause 49 of the Listing Agreement as entered into by the Company with the Stock Exchanges.



Mr. Ajay Pratap, Company Secretary act as the Secretary to the Audit Committee meetings.

During the Financial Year under review, the Audit Committee meetings were held on 20th April 2009; 30th June, 2009, 30th July, 2009; 29th October, 2009 and 30th January, 2010. For the finalisation of the Audited Annual Accounts of the Company, the meeting of the Audit Committee was held on 29th May 2010.

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

| Name of Directors          | No. of Committee Meetings attended |
|----------------------------|------------------------------------|
| Mr. Govind Prasad Agrawal  | 5                                  |
| Mr. Sanjay Grover          | 5                                  |
| Mr. Chand Krishna Tikku    | 5                                  |
| Mr. Shiam Sunder Lal Gupta | 4                                  |

#### INTERNAL AUDITORS

The Company has appointed Mohan Gupta & Co., Chartered Accountants as internal Auditors of the Company to review the Internal Control System of the Company and to report thereon. The report of the Internal Auditors is reviewed by Audit Committee.

#### REMUNERATION COMMITTEE

##### TERMS OF REFERENCE

The role of the committee includes, determining the company's policy on specific remuneration packages for executive director including the periodic increments in salary of the executive director. The committee is also empowered to determine the annual incentives of the executive director and the minimum remuneration of the executive director in the event of inadequacy of profits.

##### COMPOSITION

The Remuneration Committee is presently constituted of four Directors, the Chairman being an Independent Director.

| Name                       | Category                             |
|----------------------------|--------------------------------------|
| Mr. Chand Krishna Tikku    | Non Executive & Independent Director |
| Mr. Sanjay Grover          | Non Executive & Independent Director |
| Mr. Shiam Sunder Lal Gupta | Non Executive & Independent Director |
| Mr. Govind Prasad Agrawal  | Non Executive Director               |

During the year under report no meeting of Remuneration Committee was held.

Mr. Sanjay Grover, Non Executive & Independent Director, has been nominated as the Chairman of the Committee for all its meetings.

#### REMUNERATION OF DIRECTORS

Managing Director is the only executive director in the Company. The compensation of the managing director

comprises a fixed component and a performance incentive. The managing director is not paid sitting fees for any board / committee meetings attended by him. All other directors are non-executive. The non-executive directors are paid sitting fees as permitted by government regulations for every board / committee meeting attended by them.

Details of the remuneration of directors for the year ended 31 March, 2010 are as follows :

##### (a) Executive Directors :

| Name            | Category          | Salary & Perquisites (Rs.)          |
|-----------------|-------------------|-------------------------------------|
| Mr. Ramesh Peer | Managing Director | 51,750/- per month with perquisites |

##### (b) Non-Executive Directors :

| Name                       | Category | Sitting Fees (Rs.) As on 31.03.2010 |
|----------------------------|----------|-------------------------------------|
| Mr. Govind Prasad Agrawal  | Director | 1,04,000/-                          |
| Mr. Sanjay Grover          | Director | 68,000/-                            |
| Mr. Chand Krishna Tikku    | Director | 80,000/-                            |
| Mr. Shiam Sunder Lal Gupta | Director | 90,000/-                            |

#### SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted a Share transfer and Shareholders Grievance Committee. At present, the Share Transfer and Shareholders' Grievance Committee comprises of Mr. Ramesh Peer and Mr. Govind Prasad Agrawal. Mr. Govind Prasad Agrawal, being a non-executive Director is the Chairman of the Committee for all its meetings.

| Sl. No. | Name                      | Category               |
|---------|---------------------------|------------------------|
| 1.      | Mr. Ramesh Peer           | Managing Director      |
| 2.      | Mr. Govind Prasad Agrawal | Non Executive Director |

During the year under review, 4 (Four) Share Transfer and Shareholders' Grievance Committee meetings were held.

The various issues addressed in connection with Shareholders and Investors Services & Grievances are :

##### (a) Share Transfer :

- Approve and effect Transfer and Transmission of Shares
- Issue of new Share Certificates in lieu of the lost/ mutilated Share Certificates
- Consolidation of Folios / Transposition of Names

(b) Shareholders' / Investors' Complaints :

- (i) Non-receipt of Shares after Transfer / Transmission
- (ii) Non-receipt of Annual Report
- (iii) Other matters including change of address, etc.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent Beetal Financial & Computers Services Pvt. Ltd. attend to all the grievances of the shareholders and investors received.

The minutes of this Committee are being placed in the subsequent Board Meeting held after the Committee meeting.

Continuous efforts are made to insure that grievances are more expeditiously redressed to the complete satisfaction of the shareholders.

Mr. Ajay Pratap, Company Secretary is the Compliance Officer of the Company.

**COMMITTEE FOR FURTHER ISSUE OF SHARES**

The Committee for Further Issue of Shares comprises of Mr. Ramesh Peer and Mr. Govind Prasad Agrawal. Mr. Ramesh Peer, Managing Director of the Company elected as the Chairman of the Committee for all its meetings.

| Sl. No. | Members                   | Category               |
|---------|---------------------------|------------------------|
| 1.      | Mr. Ramesh Peer           | Managing Director      |
| 2.      | Mr. Govind Prasad Agrawal | Non Executive Director |

(b) The location and time for the last three Annual General Meetings were as follows :

| Financial Year Ended | AGM  | Location  | Date                | Time       |
|----------------------|------|---|---------------------|------------|
| 31.03.2009           | 17th | P. H. D. Chamber of Commerce & Industry, P. H. D House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016  | 24th September 2009 | 11.30 A.M. |
| 31.03.2008           | 16th | P. H. D. Chamber of Commerce & Industry, P. H. D. House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 | 24th September 2008 | 11.00 A.M. |
| 31.03.2007           | 15th | P. H. D. Chamber of Commerce & Industry, P. H. D. House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 | 18th September 2007 | 11.30 A.M. |

**NO SPECIAL RESOLUTIONS (S) WERE PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS OF THE COMPANY**

**POSTAL BALLOT**

During the year ended 31 March, 2010, no resolutions have been passed through postal ballot process.

**MEANS OF COMMUNICATION**

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels

**MANAGEMENT COMMITTEE**

The Board of Directors of the Company had constituted a Management Committee and delegated the powers of borrowing, lending and acquisition of the securities of any other body corporate/s and the powers pertaining to the general administration and management of the Company with the objective of business expediency. The Committee presently comprises of Mr. Ramesh Peer, Mr. Shiam Sunder Lal Gupta and Mr. Govind Prasad Agrawal. Mr. Ramesh Peer is Chairman of the committee and Mr. Ajay Pratap, Company Secretary is Secretary of all the Committee meetings.

During the year under review 7 meetings of the management Committee were held which were attended by all the three members of the Committee.

**DEBENTURE COMMITTEE**

The Board of Directors of the Company has constituted a Committee for the purpose of issue of Debentures of the Company. Presently the Committee consists of Mr. Ramesh Peer and Mr. Govind Prasad Agrawal. Mr. Govind Prasad Agrawal is the Chairman for all the Committee meetings.

During the year under review 1 meeting of the management Committee were held which were attended by all the two members of the Committee.

**GENERAL BODY MEETINGS**

- (a) An Extra Ordinary General Meeting of the Company for issue of 1755000 Warrants on Preferential basis was held on 18th May 2009 at P.H.D. Chambers of Commerce & Industry, P.H.D. House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016

of communication such as results announcement, annual report and Company's website communications.

The Board of Directors of the Company approves and takes on record the quarterly and annual financial results in the proforma prescribed by Clause 41 of the Listing agreement.

The approved financial results are forthwith sent to the Stock Exchanges and are published in two newspapers one in English and another in Hindi.

The Company has a website [www.almondzcapital.com](http://www.almondzcapital.com). The Company's E-mail ID for the purpose of investors for any grievance is [complianceacms@almondz.com](mailto:complianceacms@almondz.com).

**CODE OF CONDUCT**

The Board of Directors have adopted Code of business and ethics for Directors. This code has been communicated to Directors.

**INSIDER TRADING****Code of Conduct for Prevention of Insider Trading**

The Company has adopted a "Code of Conduct for Prevention of Insider Trading". The Code is applicable to all Directors and designated employees of the Company.

**CEO / CFO CERTIFICATION**

The CEO and CFO i.e. the Managing Director of the Company has certified to the Board as required under Clause 49(V) of the Listing Agreement.

**DISCLOSURE****In Respect of Related party Transactions**

Transactions with related parties are disclosed in notes of schedules to the accounts in the annual report. There were no materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.

**Disclosure of Accounting Treatment**

In preparation of financial statements, the Company has followed the accounting Standard referred in Section 211(3)(C) of the Companies Act, 1956. The significant accounting policies which are constantly applied are set out in the Annexures to notes to the Accounts.

**COMPLIANCE**

The Company has complied with the requirements of the Stock Exchanges, SEBI, and other Statutory Authorities during the immediately preceding three financial years on all matters related to the Capital Market, and no strictures and penalties have been imposed on the Company by the abovesaid Authorities during the last three years.

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with Stock Exchanges.

**COMPLIANCE OFFICER**

The Board had designated Mr. Ajay Pratap, Company Secretary as the Compliance Officer

Address :  
 4A, 3rd Floor, 3 Scindia House,  
 Janpath, New Delhi-110001  
 e-mail [complianceacms@almondz.com](mailto:complianceacms@almondz.com)  
 Phone : 011 - 32947374  
 Fax : 011 - 41514665

**GENERAL SHAREHOLDERS' INFORMATION****Annual General Meeting**

**Date** 28th September, 2010

**Time** 4.30 P. M.

**Venue** P. H. D. Chamber of Commerce & Industry,  
 P. H. D. House, 4/2, Siri Institutional Area,  
 August Kranti Marg, New Delhi-110016

**Financial Year** 1st April to 31st March

**Financial Calander**

Unaudited results for the quarter ended June 30 2010 Second week of August, 2010

Unaudited results for the quarter ended September 30 2010 Second week of November 2010

Unaudited results for the quarter ended December 31 2010 Second Week of February 2011

Audited results for the year ended March 31 2011 May 2011

**Book Closure Dates :**

18th September, 2010 to 28th September, 2010  
 (both Days inclusive)

**Listing on Stock Exchanges :**

- (a) The Delhi Stock Exchange Ltd.,  
 DSE House, 3/1 Asaf Ali Road, Delhi-110 002
- (b) Bombay Stock Exchange Ltd.,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai-400 001

Listing Fees as applicable has been paid

**Stock Code :**

Scrip ID at BSE : ALMONDZ

Scrip Code at BSE : 511589

Demat ISIN No. for NSDL and CDSL : INE323B01016  
 for Equity Shares

**Depositories :**

- (a) The National Securities Depository Ltd.  
 4th Floor, Trade World,  
 Kamala Mills Compound,  
 Senapati Bapat Marg,  
 Lower Parel, Mumbai- 400 013
- (b) Central Depository Services (India) Ltd.  
 Phiroze Jeejeebhoy Towers  
 28th Floor, Dalal Street, Mumbai-400 023

**Stock Market Data :**

| Month        | Bombay Stock Exchange Ltd. (BSE) |             |              |
|--------------|----------------------------------|-------------|--------------|
|              | Month's High                     | Month's Low | Volume (Nos) |
| April'09     | 9.77                             | 8.00        | 145759       |
| May'09       | 12.75                            | 7.85        | 100115       |
| June'09      | 19.26                            | 12.50       | 102390       |
| July'09      | 18.95                            | 10.65       | 24573        |
| August'09    | 13.98                            | 9.80        | 51685        |
| September'09 | 18.60                            | 10.59       | 329508       |
| October'09   | 18.00                            | 14.25       | 83501        |
| November'09  | 16.59                            | 13.46       | 73570        |
| December'09  | 17.81                            | 14.00       | 142558       |
| January'10   | 26.10                            | 15.40       | 570913       |
| February'10  | 25.40                            | 20.90       | 88468        |
| March'10     | 24.45                            | 19.45       | 336956       |

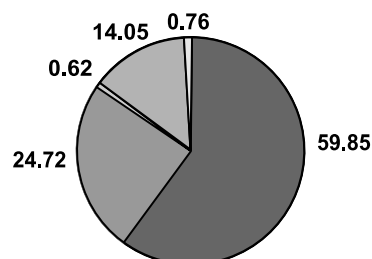
**Distribution of Shareholding as on 31st March, 2010 :**

| No. of Equity Shareholders | No. of Share-holders | % of Share-holders | No. of Shares held | % of Share-holding |
|----------------------------|----------------------|--------------------|--------------------|--------------------|
| Up To 5000                 | 2604                 | 84.93              | 319534             | 3.1903             |
| 5001 To 10000              | 188                  | 6.13               | 157667             | 1.5742             |
| 10001 To 20000             | 94                   | 3.07               | 147599             | 1.4736             |
| 20001 To 30000             | 55                   | 1.79               | 142967             | 1.4275             |
| 30001 To 40000             | 25                   | 0.82               | 89458              | 0.8932             |
| 40001 To 50000             | 19                   | 0.62               | 90055              | 0.8991             |
| 50001 To 100000            | 28                   | 0.91               | 192869             | 1.9256             |
| 100001 AND ABOVE           | 53                   | 1.73               | 8875742            | 88.6185            |
| TOTAL                      | 3066                 | 100.00             | 10015900           | 100.0000           |

**Shareholding Pattern as on 31st March 2010**

| Category Code | Category of Shareholders  | Number of Share-holders | Total No. of Shares | No. of Shares held in dematerialised form | Total Shareholding as a percentage of total number of shares |                            | Shares Pledged or otherwise encumbered |                        |
|---------------|---|-------------------------|---------------------|---|--|----------------------------|--|------------------------|
|               |   |                         |                     |   | As a percentage of (A+B)                                     | As a percentage of (A+B+C) | Number of Shares                       | As a percentage        |
| (I)           | (II)  | (III)                   | (IV)                | (V)                                       | (VI)   | (VII)                      | (VIII)                                 | (IX) = (VIII)/(IV)*100 |
| <b>(A)</b>    | <b>Shareholding of Promoter and Promoter Group</b>                              |                         |                     |   |  |                            |  |                        |
| <b>1</b>      | <b>Indian</b>   |                         |                     |   |  |                            |  |                        |
| (a)           | Individuals / Hindu Undivided Family  | 2                       | 3797549             | 972549                                    | 37.92  | 37.92                      | —                                      | —                      |
| (b)           | Central Government / State Government(s)  | —                       | —                   | —   | —  | —                          | —                                      | —                      |
| (c)           | Bodies Corporate  | 1                       | 2196702             | 2196702                                   | 21.93  | 21.93                      | —                                      | —                      |
| (d)           | Financial Institutions / Banks  | —                       | —                   | —   | —  | —                          | —                                      | —                      |
| (e)           | Any Other (specify)   | —                       | —                   | —   | —  | —                          | —                                      | —                      |
|               | <b>Sub-Total (A) (1)</b>  | <b>3</b>                | <b>5994251</b>      | <b>3169251</b>                            | <b>59.85</b>   | <b>59.85</b>               | <b>—</b>                               | <b>—</b>               |
| <b>2</b>      | <b>Foreign</b>  |                         |                     |   |  |                            |  |                        |
| (a)           | Individuals (Non-Resident Individuals / Foreign Individuals)                    | —                       | —                   | —   | —  | —                          | —                                      | —                      |
| (b)           | Bodies Corporate  | —                       | —                   | —   | —  | —                          | —                                      | —                      |
| (c)           | Institutions  | —                       | —                   | —   | —  | —                          | —                                      | —                      |
| (d)           | Any Other (specify)   | —                       | —                   | —   | —  | —                          | —                                      | —                      |
|               | <b>Sub-Total (A) (2)</b>  | <b>—</b>                | <b>—</b>            | <b>—</b>                                  | <b>—</b>   | <b>—</b>                   | <b>—</b>                               | <b>—</b>               |
|               | <b>Total Shareholding of Promoter and Promoter Group (A)= (A) (1) + (A) (2)</b> | <b>3</b>                | <b>5994251</b>      | <b>3169251</b>                            | <b>59.85</b>   | <b>59.85</b>               | <b>—</b>                               | <b>—</b>               |

| Category Code | Category of Shareholders  | Number of Shareholders | Total No. of Shares | No. of Shares held in dematerialised form | Total Shareholding as a percentage of total number of shares |                            | Shares Pledged or otherwise encumbered |                        |
|---------------|---|------------------------|---------------------|---|--|----------------------------|--|------------------------|
|               |   |                        |                     |   | As a percentage of (A+B)                                     | As a percentage of (A+B+C) | Number of Shares                       | As a percentage        |
| (I)           | (II)  | (III)                  | (IV)                | (V)                                       | (VI)   | (VII)                      | (VIII)                                 | (IX) = (VIII)/(IV)*100 |
| <b>(B)</b>    | <b>Public Shareholding</b>  | —                      | —                   | —   | —  | —                          | <b>N. A.</b>                           | <b>N. A.</b>           |
| <b>1</b>      | <b>Institutions</b>   | —                      | —                   | —   | —  | —                          | <b>N. A.</b>                           | <b>N. A.</b>           |
| (a)           | Mutual Funds / UTI  | —                      | —                   | —   | —  | —                          | —                                      | —                      |
| (b)           | Financial Institutions / Banks  | 2                      | 62250               | 59650                                     | 0.62   | 0.62                       | —                                      | —                      |
| (c)           | Central Government / State Government (s)   | —                      | —                   | —   | —  | —                          | —                                      | —                      |
| (d)           | Venture Capital Funds   | —                      | —                   | —   | —  | —                          | —                                      | —                      |
| (e)           | Insurance Companies   | —                      | —                   | —   | —  | —                          | —                                      | —                      |
| (f)           | Foreign Institutional Investors   | —                      | —                   | —   | —  | —                          | —                                      | —                      |
| (g)           | Foreign Venture Capital Investors   | —                      | —                   | —   | —  | —                          | —                                      | —                      |
| (h)           | Any Other (Specify)   | —                      | —                   | —   | —  | —                          | —                                      | —                      |
|               | <b>Sub-Total (B) (1)</b>  | <b>2</b>               | <b>62250</b>        | <b>59650</b>                              | <b>0.62</b>  | <b>0.62</b>                | —                                      | —                      |
| <b>2</b>      | <b>Non-Institutions</b>   | —                      | —                   | —   | —  | —                          | <b>N. A.</b>                           | <b>N. A.</b>           |
| (a)           | Bodies Corporate  | 133                    | 1407428             | 1153928                                   | 14.05  | 14.05                      | —                                      | —                      |
| (b)           | Individuals :<br>i. Individual shareholders holding nominal share capital upto Rs. 1 Lakh | 2865                   | 943510              | 748570                                    | 9.42   | 9.42                       | —                                      | —                      |
|               | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh         | 30                     | 1532586             | 1510986                                   | 15.30  | 15.30                      | —                                      | —                      |
| (c)           | Any Other (specify) NRI   | 17                     | 66464               | 18964                                     | 0.66   | 0.66                       | —                                      | —                      |
|               | Clearing Members  | 16                     | 9411                | 9411                                      | 0.09   | 0.09                       | —                                      | —                      |
|               | <b>Sub-Total (B) (2)</b>  | <b>3061</b>            | <b>3959399</b>      | <b>3441859</b>                            | <b>39.53</b>   | <b>39.53</b>               | —                                      | —                      |
|               | <b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>                                      | <b>3063</b>            | <b>4021649</b>      | <b>3501509</b>                            | <b>40.15</b>   | <b>40.15</b>               | <b>N. A.</b>                           | <b>N. A.</b>           |
|               | <b>TOTAL (A)+(B)</b>  | <b>3066</b>            | <b>10015900</b>     | <b>6670760</b>                            | <b>100.00</b>  | <b>100.00</b>              | —                                      | —                      |
| <b>(C)</b>    | <b>Shares held by Custodians and against which Depository Receipts have been issued</b>   | —                      | —                   | —   | *****  | —                          | <b>N. A.</b>                           | <b>N. A.</b>           |
|               | <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>3066</b>            | <b>10015900</b>     | <b>6670760</b>                            | <b>*****</b>   | <b>100.00</b>              | <b>N. A.</b>                           | <b>N. A.</b>           |



### Shareholding Pattern

- Promoter & Promoters Group
- Individuals
- Institutions
- Bodies Corporate
- NRIs & Clearing Members

### **Secretarial Audit for Reconciliation of Capital**

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out in every quarter and report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed and paidup capital is in agreement with the aggregate of total number of shares in dematerialized form (held with NSDL & CDSL) and the total number of shares in physical form.

### **Status of Dematerialisation of Shares as on 31 March 2010**

| Particulars    | No. of Shares   | % of Total capital |
|----------------|-----------------|--------------------|
| Dematerialised | 6670760         | 66.60              |
| Physical       | 3345140         | 33.40              |
| <b>Total</b>   | <b>10015900</b> | <b>100.00</b>      |

### **Registrar & Transfer Agent :**

M/s Beetal Financial & Computer Services Pvt. Ltd.  
"Beetal House", 3rd Floor, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi – 110 062

### **SHARE TRANSFER SYSTEM**

All matters connected with the share transfer both physical and electronic, dividends and other matters are handled by the Registrar & Transfer Agent located at the address mentioned elsewhere in this report. Shares lodged for transfer are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from shareholders and other miscellaneous correspondence on change of address, etc., are processed by the Registrar & Transfer Agent.

Pursuant to Clause 47(c) of the Listing Agreement with Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

The Company, as required under Clause 47(f) of the Listing Agreement, has designated the following e-mail ID, namely [complianceacms@almondz.com](mailto:complianceacms@almondz.com) in for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances.

Shareholders are, therefore, requested to correspond with the Registrar & Transfer Agent for transfer / transmission of shares, change of address and queries pertaining to their shareholding, at their address given in this report.

### **DETAILS OF SHAREHOLDERS COMPLAINT RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFER**

The total number of complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2010 were 18. There were no complaints outstanding as on 31st March 2010. The number of shares pending for transfer and for dematerialization were nil as on 31st March 2010.

### **Investors Correspondence / Query**

For Transfer / Transmission, Dematerialisation of shares, and any other query relating to the shares of the Company :

M/s Beetal Financial & Computer Services Pvt. Ltd.  
"Beetal House", 3rd Floor, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi - 110 062

For any query on Annual Report :

Secretarial Department  
Almondz Capital & Management Services Ltd.  
4A, 3rd Floor, 3 Scindia House  
Janpath, New Delhi - 110 001

### **COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY**

As required under Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an Appendix to the Statement on Corporate Governance.

### **Management Discussion And Analysis**

The Management Discussion & Analysis has been given separately in the annual report.

For and on behalf of the Board of Directors

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director

New Delhi  
13th August, 2010

**Appendix to the Statement on Corporate Governance**

**Appendix - I**

**CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD**

I, Ramesh Peer, Managing Director of Almondz Capital & Management Services Limited, certify that :

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief :
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of my 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. I accept overall responsibility for the company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board of Directors. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. I indicate to the Auditors and to the Audit Committee :
  - a) significant changes in internal control over financial reporting during the year;
  - b) significant changes in accounting policies during the year;
5. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the Listing Agreement, for the current year.

New Delhi  
13th August, 2010

**RAMESH PEER**  
Managing Director

**Appendix to the Statement on Corporate Governance**

**Appendix - II**

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

**To the Shareholders of**

**M/s. ALMONDZ CAPITAL & MANAGEMENT SERVICES LTD.**

We have examined the compliance of the conditions of Corporate Governance by M/s Almondz Capital & Management Services Ltd. for the year ended 31st March, 2010, as stipulated under Clause 49 of the Listing Agreement as entered into by the Company with the Stock Exchanges in India.

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

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

We state that in respect of the investors' grievances received during the year ended 31st March, 2010, no investors' grievances are pending against the Company for period exceeding one month as per the records maintained by the Company, which are presented to the Shareholders'/Investors' Grievance Committee.

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

**For H. V. & Associates**  
Chartered Accountants

New Delhi  
29th May, 2010

**(H. K. Chhabra)**  
Partner  
(FCA-Membership No. 89616)



## Management Discussion & Analysis Report

### (A) INDUSTRY STRUCTURE AND DEVELOPMENT

The year 2009-10 showed comeback for the global economy in general and the Indian economy in particular. The outlook for the Indian economy continues to remain positive which will offer a lot of business opportunities to NBFC industry in the country.

The NBFC industry in which your company operates provide a variety of services including fund-based and fee-based activities and cater to retail and non-retail markets, continued to witness strong competition in their traditional areas of retail ending from Banks and Financial Institutions. Banks which have inherent advantage of lower cost of funds, are taking an increasing share in retail financing and providing a strong competition to NBFCs. In this scenario, NBFCs are under pressure to cut costs and to develop a focused marketing approach on selected customer segments by offering more personalized services.

### (B) BUSINESS REVIEW

The Company's operations continue to be mainly focused in the areas of Inter-corporate Investments, Trading in Securities and Financing. Segment-wise brief outline of financial and operational performance during the year under report is as under:

#### (i) Fees, Commission and Brokerage

During the year, the Company earned income by way of Fees, Commission and Brokerage of Rs. 1.27 Lacs against Rs. 44.48 Lacs in the previous year.

#### (ii) Inter-corporate Investments

The Company's investment portfolio is reviewed from time to time and securities are bought to add to the Portfolio or sold in order to make Capital gains. Details of the Company's investments are given in Schedule 5 of the Balance Sheet of the Company as at 31st March, 2010.

During the year under report, the Company has made a profit of Rs. 50.14 Lacs on sale of long term investments.

During the year, the Company earned income by way of Dividend of Rs. 42.48 Lacs on the investments as against Rs. 36.68 Lacs in the previous year.

#### (iii) Trading in Securities

During the year under review, the Company concentrated its focus on trading in securities and has made a profit of Rs. 641.14 Lacs.

#### (iv) Financing

During the year under report the Company earned interest income of Rs. 37.00 Lacs as against Rs. 6.22 Lacs in the previous year.

### (C) OUTLOOK, RISKS AND CONCERNS

The Company intends to continue focusing on trading in securities and financing besides fee based activities. Your Company has been making a judicious use of funds for generating revenues in a risk prone environment. Your

Company will continue to explore opportunities in other areas related to its operations.

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk. The Company is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

### (D) OPPORTUNITIES AND THREATS

Your Company intends to increase its thrust on security based financing to SME's. The Company is carefully gauging each opportunity in terms of risks and rewards involved. Your Company would also endeavor to strengthen its subsidiary and associate companies and also make efforts to harness the benefits of group synergy. The management is also exploring other avenues of business.

### (E) INTERNAL CONTROL SYSTEM

The Company has proper and adequate system of internal controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. Besides, the Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

### (F) HUMAN RESOURCES

Your company is in service industry and its performance is dependent on the knowledge and expertise of its personnel. The Company is having dedicated employees who help the company to achieve its goals.

### (G) CAUTIONARY STATEMENT

*Some of the statements in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations.*

*Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include demand supply conditions, changes in Government regulations, tax regimes, economic developments within India*

## **Auditors' Report**

### **To the Members of ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED**

1. We have audited the attached Balance Sheet of ALMONDZ CAPITAL & MANAGEMENT SERVICES LTD., New Delhi as at 31st March 2010 and 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.
2. 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.
3. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of Sub-section(1) of Section 274 of the Companies Act, 1956.

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31, 2010 ; and
  - ii) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date; and
  - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For H. V. & Associates**  
Chartered Accountants

**H. K. Chhabra**  
Partner

New Delhi  
May 29, 2010

(FCA – Membership No. 089616)

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.
- ii) (a) As explained to us, physical verification of inventory of shares and securities has been conducted by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory of shares and securities followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- iii) (a) During the year Company has taken unsecured loans from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The details thereof is furnished hereunder :

| S. No. | Name of the Party   | Amount<br>(Rs. in Lacs) | Year-end<br>Balance<br>(Rs. in Lacs) | Maximum<br>Balance<br>(Rs. in Lacs) |
|--------|---|-------------------------|--------------------------------------|-------------------------------------|
| 1      | Almondz Global Securities Limited<br>(Subsidiary Company) | 4150.00                 | 803.00                               | 2150.00                             |

The interest charged and other terms and conditions of the loan taken are prima facie not prejudicial to the interest of the Company.

- (b) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956, we wish to state that there was no loan outstanding (P. Y. One Company) and whose name is appearing in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 1769.98 Lacs (P. Y. Rs. 144.26 Lacs) and Rs. Nil (P. Y. Rs. 144.26) was outstanding as on 31.03.2010. According to the information and explanations given to us we are of the opinion that the rate of interest and other terms and conditions of such loan were prima facie not prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the

Company and the nature of its business with regard to purchase of inventory and fixed assets etc. During the course of our audit, no major weakness has been noticed in the internal controls.

- v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 :
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii) We were informed that the Central Government has not prescribed the maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix) According to the information and explanations given to us in respect of statutory and other dues :
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31.03.2010 for a period of more than six months from the date they became payable.
- x) The Company has no accumulated losses as on the balance sheet date. The Company has not incurred any cash losses during the financial year covered by our audit or the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

- xii) We are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is neither a chit fund nor nidhi / mutual benefit fund / society and hence Clause 4 (xii) of the Order is not applicable to the Company.
- xiv) The Company has maintained proper records of transaction and contracts in respect of all shares, debentures and other securities, which have been held by the Company in its own name and timely entries have been made therein.
- xv) In our opinion, 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.
- xvi) In our opinion and according to the information and explanations given to us, the Company has not applied for any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company had issued 35,00,000 debentures of Rs. 100/- each. The Company has created security in respect of debentures issued.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For H. V. & Associates**  
Chartered Accountants

New Delhi  
May 29, 2010

**H. K. Chhabra**  
Partner  
(FCA – Membership No. 089616)

## Balance Sheet as at 31st March, 2010

(Amount in Indian Rupees)

| Particulars  | Schedule No. | As at 31.03.2010   | As at 31.03.2009 |
|--|--------------|--------------------|------------------|
| <b>Sources of Funds</b>                            |              |                    |                  |
| <b>Shareholders' funds</b>                         |              |                    |                  |
| Share capital                                      | 1            | 106,667,131        | 106,667,131      |
| Reserves & surplus                                 | 2            | 248,903,835        | 234,556,115      |
|  |              | <b>355,570,966</b> | 341,223,246      |
| <b>Advance against Option Warrant</b>              |              | <b>4,387,500</b>   | —                |
| <b>Loan Fund</b>                                   |              |                    |                  |
|  | 3            |                    |                  |
| Secured loans                                      |              | 39,985,397         | —                |
| Unsecured loans                                    |              | 80,334,192         | —                |
|  |              | <b>120,319,589</b> | —                |
|  |              | <b>480,278,055</b> | 341,223,246      |
| <b>Application of Funds</b>                        |              |                    |                  |
| <b>Fixed assets</b>                                |              |                    |                  |
| Gross block  | 4            | 1,475,483          | 1,475,483        |
| Less : depreciation                                |              | 510,617            | 788,822          |
| <b>Net block</b>                                   |              | <b>964,866</b>     | 686,661          |
| <b>Investments</b>                                 | 5            | <b>344,295,433</b> | 320,260,908      |
| <b>Current assets, loans &amp; advances</b>        |              |                    |                  |
|  | 6            |                    |                  |
| Sundry debtors                                     |              | —                  | 1,732,600        |
| Cash and bank balances                             |              | 7,771,752          | 1,522,146        |
| Stock in trade                                     |              | 49,971,220         | —                |
| Other current assets                               |              | 432,143            | 24,395           |
| Loans and advances                                 |              | 78,271,853         | 18,329,086       |
|  |              | 136,446,968        | 21,608,227       |
| <b>Less : Current liabilities &amp; provisions</b> | 7            | 1,429,212          | 1,332,550        |
| <b>Net current assets</b>                          |              | <b>135,017,756</b> | 20,275,677       |
|  |              | <b>480,278,055</b> | 341,223,246      |
| <b>Significant accounting policies</b>             | 13           |                    |                  |
| <b>Notes to the accounts</b>                       | 14           |                    |                  |

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

As per our report of even date  
**For H. V. & Associates**  
 Chartered Accountants

For and on behalf of Board of Directors

**H.K. Chhabra**  
 Partner  
 (FCA – Membership No. 089616)  
 New Delhi  
 May 29, 2010

**Ajay Pratap**  
 Company Secretary

**G. P. Agrawal**      **Ramesh Peer**  
 Director      Managing Director

**Profit & Loss Account for the year ended 31st March, 2010**

(Amount in Indian Rupees)

| Particulars  | Schedule No. | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|--|--------------|-----------------------|-----------------------|
| <b>Income</b>  |              |                       |                       |
| Fee, commission & brokerage  |              | 127,663               | 4,448,107             |
| Net results in trading of shares / securities  | 8            | 64,114,589            | —                     |
| Dividends received   |              | 4,248,399             | 3,668,300             |
| Interest & other income  | 9            | 8,883,385             | 1,005,339             |
|  |              | <u>77,374,036</u>     | <u>9,121,746</u>      |
| <b>Expenditure</b>   |              |                       |                       |
| Personnel expenditure  | 10           | 1,460,001             | 1,614,251             |
| Administrative & other expenses  | 11           | 28,377,504            | 1,348,333             |
| Interest & finance charges   | 12           | 34,913,442            | 7,693                 |
| Depreciation   |              | 100,544               | 154,127               |
| Diminution in the value of investment  |              | —                     | 750,000               |
|  |              | <u>64,851,491</u>     | <u>3,874,404</u>      |
| <b>Profit before extra ordinary, prior period items &amp; taxes</b>                    |              | <b>12,522,545</b>     | <b>5,247,342</b>      |
| Prior period expenses / (income) (Net)   |              | (76,307)              | (78,478)              |
| <b>Effect of change in accounting policy</b>   |              |                       |                       |
| Reversal of depreciation   |              | (378,749)             | —                     |
| <b>Profit before tax</b>   |              | <b>12,977,601</b>     | <b>5,325,820</b>      |
| <b>Provision for taxes</b>   |              |                       |                       |
| Income tax for current year  | 675,841      | —                     | 338,148               |
| Income tax for earlier year  | —            | —                     | —                     |
| MAT Credit   | (2,045,960)  | —                     | —                     |
| Fringe benefit tax for current year  | —            | (1,370,119)           | 16,500                |
| <b>Net profit for the year</b>   |              | <b>14,347,720</b>     | <b>4,971,172</b>      |
| Less : Special reserve<br>(under section 45-IC of the Reserve Bank of Indian Act,1934) |              | <u>2,869,544</u>      | <u>994,234</u>        |
|  |              | <b>11,478,176</b>     | <b>3,976,938</b>      |
| Surplus brought forward from previous year   |              | <u>49,775,013</u>     | <u>45,798,075</u>     |
| <b>Net surplus carried to balance sheet</b>  |              | <b>61,253,189</b>     | <b>49,775,013</b>     |
| Earning per share (Face value of Rs. 10 each)<br>(see Note 4 of schedule '14')         |              |                       |                       |
| — Basic  |              | 1.15                  | 0.50                  |
| — Diluted  |              | 1.00                  | 0.50                  |
| <b>Significant accounting policies</b>   | 13           |                       |                       |
| <b>Notes to the accounts</b>   | 14           |                       |                       |

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

As per our report of even date  
For **H. V. & Associates**  
Chartered Accountants

For and on behalf of Board of Directors

**H.K. Chhabra**  
Partner  
(FCA – Membership No. 089616)  
New Delhi  
May 29, 2010

**Ajay Pratap**  
Company Secretary

**G. P. Agrawal**  
Director

**Ramesh Peer**  
Managing Director

## Cash Flow Statement for the year ended 31st March, 2010

|   | (Amount in Indian Rupees) |                     |
|---|---------------------------|---------------------|
| Particulars   | 31.03.2010                | 31.03.2009          |
| <b>A. Cash Flow from Operating Activities</b>                         |                           |                     |
| Net Profit before tax & extra-ordinary items adjusted for :           | 12,522,545                | 5,247,342           |
| Depreciation  | 100,544                   | 154,127             |
| Provision for Employee benefits                                       | 7,972                     | (23,311)            |
| Loss/(Profit) on sale of Investment                                   | (5,014,448)               | —                   |
| Loss on Forfeiture of Option Warrant                                  | —                         | (8,000,000)         |
| Interest Received   | (3,789,726)               | (906,382)           |
| Dividend Received   | (4,248,399)               | (3,668,300)         |
| <b>Operating Profit before working capital changes adjusted for :</b> | <b>(421,512)</b>          | <b>(7,196,524)</b>  |
| (Increase)/Decrease in Stock in trade                                 | (49,971,220)              | —                   |
| (Increase)/Decrease in Trade receivables                              | 1,732,600                 | (1,732,600)         |
| (Increase)/Decrease in Other receivables                              | (60,350,515)              | (15,653,303)        |
| Increase/(Decrease) in Trade & other payables                         | 88,690                    | 462,276             |
| <b>Cash used in operations</b>  | <b>(108,921,957)</b>      | <b>(24,120,151)</b> |
| Extra Ordinary and Prior Period Items                                 | 76,307                    | 78,478              |
| Taxes Paid  | 1,370,119                 | (354,646)           |
| <b>Net cash generated from Operating Activities (A)</b>               | <b>(107,475,531)</b>      | <b>(24,396,319)</b> |
| <b>B. Cash Flow from Investing Activities</b>                         |                           |                     |
| Purchase of investments   | (26,584,525)              | 4,935,911           |
| Sale of investments   | 7,564,448                 | —                   |
| Dividend received   | 4,248,399                 | 3,668,300           |
| <b>Net cash used in Investing Activities (B)</b>                      | <b>(14,771,678)</b>       | <b>8,604,211</b>    |
| <b>C. Cash Flow from Financing Activities</b>                         |                           |                     |
| Proceeds from issue of option warrants                                | 4,387,500                 | —                   |
| Proceeds from secured loan term borrowings                            | 39,985,397                | —                   |
| Proceeds from unsecured loan term borrowings                          | 80,334,192                | —                   |
| Interest Received   | 3,789,726                 | 906,382             |
| <b>Net cash generated from Financing Activities (C)</b>               | <b>128,496,815</b>        | <b>906,382</b>      |
| Cash and cash equivalents (Opening Balance)                           | 1,522,146                 | 16,407,872          |
| <b>Net cash inflows for the year (A+B+C)</b>                          | <b>6,249,606</b>          | <b>(14,885,726)</b> |
| <b>Cash and cash equivalents (Closing Balance)</b>                    | <b>7,771,752</b>          | <b>1,522,146</b>    |

As per our report of even date  
 For **H. V. & Associates**  
 Chartered Accountants

For and on behalf of Board of Directors

**H.K. Chhabra**  
 Partner  
 (FCA – Membership No. 089616)  
 New Delhi  
 May 29, 2010

**Ajay Pratap**  
 Company Secretary

**G. P. Agrawal**      **Ramesh Peer**  
 Director      Managing Director

**Schedules forming part of the balance sheet as at 31st March, 2010**

(Amount in Indian Rupees)

| Particulars  | As at<br>31.03.2010       | As at<br>31.03.2009       |
|--|---------------------------|---------------------------|
| <b>Schedule – 1</b>  |                           |                           |
| <b>Share Capital</b>   |                           |                           |
| <b>Authorised</b>  |                           |                           |
| 1,50,00,000 (Previous year 1,50,00,000)  |                           |                           |
| Equity shares of Rs. 10/- each   | <u>150,000,000</u>        | <u>150,000,000</u>        |
| <b>Issued and subscribed</b>   |                           |                           |
| 11,395,280 (Previous year 11,395,280)  |                           |                           |
| Equity shares of Rs.10/- each  | <u>113,952,800</u>        | <u>113,952,800</u>        |
| <b>Paid-up capital</b>   |                           |                           |
| 10,015,900 (Previous year 10,015,900)  | 100,159,000               | 100,159,000               |
| Equity shares of Rs. 10/- each, fully paid up  |                           |                           |
| Add : 1,379,380 shares forfeited   | <u>6,508,131</u>          | <u>6,508,131</u>          |
|  | <u><b>106,667,131</b></u> | <u><b>106,667,131</b></u> |
| <b>Schedule – 2</b>  |                           |                           |
| <b>Reserves and Surplus</b>  |                           |                           |
| <b>Share premium</b>   | <b>109,337,900</b>        | <b>109,337,900</b>        |
| <b>Capital reserve</b>   |                           |                           |
| As per Previous year balance sheet   | 74,448,968                | 82,448,968                |
| Less : Loss on forfeiture of option warrant  | <u>—</u>                  | <u>8,000,000</u>          |
|  | <b>74,448,968</b>         | <b>74,448,968</b>         |
| Surplus carried from profit & loss account   | <b>61,253,189</b>         | <b>49,775,013</b>         |
| Special reserve (U/s 45-IC, RBI act,1934)  | <u><b>3,863,778</b></u>   | <u><b>994,234</b></u>     |
|  | <u><b>248,903,835</b></u> | <u><b>234,556,115</b></u> |
| <b>Schedule – 3</b>  |                           |                           |
| <b>Loan Fund</b>   |                           |                           |
| <b>Secured Loans</b>   |                           |                           |
| <b>Other loans and advances</b>  |                           |                           |
| Working capital loan   | <b>39,985,397</b>         | —                         |
| (Secured by way of holding securities includes Shares / MF units / AA & above rated bonds and further secured by personal guarantee of promoter) |                           |                           |
| <b>Unsecured Loan</b>  |                           |                           |
| Loan from bodies corporate   | <u><b>80,334,192</b></u>  | <u>—</u>                  |
|  | <u><b>120,319,589</b></u> | <u><b>—</b></u>           |



*Schedules forming part of the balance sheet as at 31st March, 2010*

**Schedule– 4**

**Fixed Assets**

**(Amount in Indian Rupees)**

| Particulars             | Gross Block         |                                    |  |                     | Depreciation        |                    |   |                     | Net Block           |                     |
|-------------------------|---------------------|------------------------------------|--|---------------------|---------------------|--------------------|---|---------------------|---------------------|---------------------|
|                         | As at<br>01.04.2009 | Additions<br>during<br>the<br>Year | Deletion /<br>Adjust-<br>ments<br>during<br>the year | As at<br>31.03.2010 | Up to<br>01.04.2009 | For<br>the<br>year | Deletions /<br>Adjust-<br>ments<br>during<br>the Year | Up to<br>31.03.2010 | As at<br>31.03.2010 | As at<br>31.03.2009 |
| Furniture & Fixtures    | 1,368,383           | —                                  | —  | <b>1,368,383</b>    | 699,366             | 85,378             | 370,892   | <b>413,852</b>      | <b>954,531</b>      | 669,017             |
| Computers & Peripherals | 93,300              | —                                  | —  | <b>93,300</b>       | 86,522              | 14,629             | 8,327   | <b>92,824</b>       | <b>476</b>          | 6,778               |
| Office Equipments       | 13,800              | —                                  | —  | <b>13,800</b>       | 2,934               | 537                | (470)   | <b>3,941</b>        | <b>9,859</b>        | 10,866              |
| <b>Total</b>            | 1,475,483           | —                                  | —  | <b>1,475,483</b>    | 788,822             | 100,544            | 378,749   | <b>510,617</b>      | <b>964,866</b>      | 686,661             |
| <b>Previous Year</b>    | 1,475,483           | —                                  | —  | <b>1,475,483</b>    | 634,698             | 154,127            | —   | <b>788,822</b>      | <b>686,661</b>      | 840,785             |

**Schedules forming part of the balance sheet as at 31st March, 2010**

| (Amount in Indian Rupees)   |                     |                    |                     |             |
|---|---------------------|--------------------|---------------------|-------------|
| Particulars   | As at<br>31.03.2010 |                    | As at<br>31.03.2009 |             |
| <b>Schedule – 5</b>   |                     |                    |                     |             |
| <b>Investments, long-term</b>   |                     |                    |                     |             |
| <b>Investment in subsidiaries</b>   |                     |                    |                     |             |
| <b>a) Quoted, fully paid up, at cost</b>  |                     |                    |                     |             |
| Almondz Global Securities Ltd.,<br>1,26,53,314 (Previous year 11,982,307)<br>equity shares of Rs. 6/- each. | 342,972,433         |                    | 317,387,908         |             |
| <b>b) Unquoted, fully paid up, at cost</b>  |                     |                    |                     |             |
| Moon Orchid Housing Pvt. Ltd.,<br>50,000 (Previous year Nil)<br>equity shares of Rs. 10/-each               | 500,000             |                    | —                   |             |
| Meadow Real Estate Pvt. Ltd.,<br>50,000 (Previous year Nil)<br>equity shares of Rs.10/-each                 | 500,000             |                    | —                   |             |
|   |                     | <b>343,972,433</b> |                     | 317,387,908 |
| <b>Other non-trade investments</b>  |                     |                    |                     |             |
| <b>Unquoted, fully paid up, at cost</b>   |                     |                    |                     |             |
| Globus Industries & Services Ltd.,<br>10,000 (Previous year 10,000)<br>equity shares of Rs. 10/-each        | 100,000             |                    | 100,000             |             |
| Latitude 23 Communications Ltd.,<br>75,000 (Previous year 75,000)<br>equity shares of Rs. 10/-each          | 750,000             |                    | 750,000             |             |
| Almondz Insurance Brokers Pvt. Ltd.,<br>NIL (Previous year 255,000)<br>equity Shares of Rs. 10/-each        | —                   |                    | 2,550,000           |             |
| Shivaz Spas & Hospitality Pvt Ltd.,<br>20,000 (Previous year 20,000)<br>equity shares of Rs.10/- each       | 200,000             |                    | 200,000             |             |
|   | 1,050,000           |                    | 3,600,000           |             |
| Less : Diminution in the value of investment  | 750,000             | <b>300,000</b>     | 750,000             | 2,850,000   |
| <b>Government securities</b>  |                     |                    |                     |             |
| National Savings Certificate  |                     | <b>23,000</b>      |                     | 23,000      |
|   |                     | <b>344,295,433</b> |                     | 320,260,908 |
| Aggregate market value of quoted investment   |                     | <b>659,870,325</b> |                     | 192,354,547 |
| Aggregate book value of quoted investment   |                     | <b>342,972,433</b> |                     | 317,387,908 |
| Aggregate cost of unquoted investment   |                     | <b>2,073,000</b>   |                     | 3,623,000   |

## Schedules forming part of the balance sheet as at 31st March, 2010

(Amount in Indian Rupees)

| Particulars  | As at<br>31.03.2010 | As at<br>31.03.2009 |
|--|---------------------|---------------------|
| <b>Schedule – 6</b>  |                     |                     |
| <b>Current Assets, Loans &amp; Advances</b>                  |                     |                     |
| <b>A. Current Assets</b>                                     |                     |                     |
| <b>Sundry debtors</b>  |                     |                     |
| Unsecured considered good                                    |                     |                     |
| — more than six months                                       | —                   | 300,000             |
| — others   | —                   | 1,432,600           |
|  |                     | 1,732,600           |
| <b>Cash &amp; bank balances</b>                              |                     |                     |
| Cash in hand   | 297,824             | 334,042             |
| Balances with scheduled banks :                              |                     |                     |
| — in current accounts  | 5,923,928           | 738,104             |
| — in deposit accounts  | 1,550,000           | 450,000             |
|  | 7,771,752           | 1522,146            |
| <b>Stock in trade</b>  |                     |                     |
| Equity shares, quoted at cost                                | 2,056,220           | —                   |
| Corporate, Central government and State government bonds     | 47,915,000          | —                   |
|  | 49,971,220          | —                   |
| <b>Other current assets</b>                                  |                     |                     |
| Interest accrued on fixed deposits but not due               | 78,924              | 24,395              |
| Interest accrued on bonds / securities                       | 353,219             | —                   |
|  | 432,143             | 24,395              |
| <b>Total (A)</b>   | <b>58,175,115</b>   | <b>3,279,141</b>    |
| <b>B. Loans &amp; advances</b>                               |                     |                     |
| Unsecured, considered good*                                  |                     |                     |
| — loan to body corporate and others                          | 69,397,160          | 16,694,151          |
| Advance  |                     |                     |
| recoverable in cash or in kind or for value to be received # |                     |                     |
| — advances to subsidiaries                                   | 4,439,340           | —                   |
| — advances to others   | 188,686             | 77,313              |
|  | 4,628,026           | 281,250             |
| Security deposits  | 281,250             | 281,250             |
| Prepaid expenses   | 13,783              | 15,335              |
| Service tax cenvat receivable                                | 163,125             | 103,795             |
| MAT credit entitlement                                       | 2,045,960           | —                   |
| Advance income tax & tax deducted at source                  | 1,742,549           | 1,157,242           |
| [Net provision of Rs.6,07,249/-(Previous year Rs.338,148/-)] |                     |                     |
| <b>Total (B)</b>   | <b>78,271,853</b>   | <b>18,329,086</b>   |
| <b>Total (A + B)</b>   | <b>136,446,968</b>  | <b>21,608,227</b>   |
| * Shivaz Spas & Hospitality Pvt. Ltd.                        | —                   | 14,426,323          |
| Maximum balance outstanding during the year                  | 26,998,014          | 14,426,323          |
| # Due from the companies under the same management           |                     |                     |
| (Almondz Insurance Brokers Pvt. Ltd.)                        | —                   | 19,705              |
| (Almondz Global Securities Ltd.)                             | 165,620             | —                   |
| (Meadow Real Estate Pvt.Ltd.)                                | 2,219,717           | —                   |
| (Moon Orchid Pvt.Ltd.)                                       | 2,219,623           | —                   |
| Maximum balance outstanding during the year                  |                     |                     |
| (Almondz Insurance Brokers Pvt. Ltd.)                        | 64,228              | 70,172              |
| (Almondz Global Securities Ltd.)                             | 178,569,700         | —                   |
| (Meadow Real Estate Pvt.Ltd.)                                | 2,219,717           | —                   |
| (Moon Orchid Pvt.Ltd.)                                       | 2,219,623           | —                   |

**Schedules forming part of the balance sheet as at 31st March, 2010**

(Amount in Indian Rupees)

| Particulars   | As at<br>31.03.2010 | As at<br>31.03.2009 |
|---|---------------------|---------------------|
| <b>Schedule – 7</b>   |                     |                     |
| <b>Current liabilities and provisions</b>   |                     |                     |
| <b>A. Current liabilities</b>   |                     |                     |
| Sundry creditors  | —                   | —                   |
| Dues of micro & small enterprises   | —                   | —                   |
| Dues of creditors other than micro & small enterprises<br>(Refer to note 12 of schedule 14) | 165,905             | 542,686             |
| Expenses payable  | 174,833             | 133,640             |
| Other liabilities   | 680,215             | 245,914             |
| Unpaid dividend *   | 346,345             | 356,368             |
| <b>Total (A)</b>  | <b>1,367,298</b>    | <b>1,278,608</b>    |
| <b>B. Provisions</b>  |                     |                     |
| Provision for retirement benefits   | 61,914              | 53,942              |
| <b>Total (B)</b>  | <b>61,914</b>       | <b>53,942</b>       |
| <b>Total (A + B)</b>  | <b>1,429,212</b>    | <b>1,332,550</b>    |
| * The Investor Education and Protection Fund shall be credited as follows :                 |                     |                     |
| Dividend for the financial year   | <b>Declared on</b>  | <b>Due by</b>       |
| 2005-06   | 30-09-2006          | 30-09-2013          |
| 2006-07   | 18-09-2007          | 18-09-2014          |
|   |                     | <b>Amount</b>       |
|   |                     | 123,574             |
|   |                     | 222,771             |
|   |                     | <b>346,345</b>      |

**Schedules forming part of the profit & loss account for the year ended 31st March, 2010**

| Particulars   | Year Ended<br>31.03.2010 | Year Ended<br>31.03.2009 |
|---|--------------------------|--------------------------|
| <b>Schedule – 8</b>                                 |                          |                          |
| <b>Trading of Shares and Securities</b>             |                          |                          |
| Opening stock of shares and securities              | —                        | —                        |
| Add: cost of shares and securities purchased        | 4,365,898,355            | —                        |
|   | 4,365,898,355            | —                        |
| Less: closing stock of shares and securities        | 49,971,220               | —                        |
| Cost of shares and securities sold                  | 4,315,927,135            | —                        |
| Less: Sale of shares and securities                 | 4,391,168,916            | —                        |
| <b>Profit/(Loss) on derivatives</b>                 | <b>(11,310,343)</b>      | —                        |
| <b>Accrued interest on securities held as stock</b> | <b>183,151</b>           | —                        |
|   | <b>64,114,589</b>        | —                        |

*Schedules forming part of the profit & loss account for the year ended 31st March, 2010*

| (Amount in Indian Rupees)   |                          |                          |
|---|--------------------------|--------------------------|
| Particulars   | Year Ended<br>31.03.2010 | Year Ended<br>31.03.2009 |
| <b>Schedule – 9</b>   |                          |                          |
| <b><u>Interest and Other Income</u></b>   |                          |                          |
| Interest on Fixed deposits with banks   | 89,716                   | 284,026                  |
| [Gross of tax deducted at source Rs. 8,769/- (Previous year Rs. 58,509/-)]      |                          |                          |
| Interest from Others  | 3,700,010                | 622,356                  |
| [Gross of tax deducted at source Rs. 3,66,632/- (Previous year Rs. 1,28,205/-)] |                          |                          |
| Profit on sale of Investment  | 5,014,448                | —                        |
| Liabilities no longer required written back                                     | 23,724                   | —                        |
| Miscellaneous income  | 55,487                   | 98,957                   |
|   | <u>8,883,385</u>         | <u>1,005,339</u>         |
| <b>Schedule – 10</b>  |                          |                          |
| <b><u>Personnel expenditure</u></b>   |                          |                          |
| Salaries, bonus and other allowances  | 1,343,000                | 1,508,559                |
| Contribution to provident and other funds                                       | 84                       | 3,607                    |
| Staff welfare   | 22,516                   | 16,757                   |
| Provision for employees benefits  | 94,401                   | 85,328                   |
|   | <u>1,460,001</u>         | <u>1,614,251</u>         |
| <b>Schedule – 11</b>  |                          |                          |
| <b><u>Administrative &amp; other expenses</u></b>                               |                          |                          |
| Rent  | 1,125,000                | 1,109,375                |
| Printing & stationery   | 83,117                   | 68,446                   |
| Travelling & conveyance   | 135,500                  | 161,472                  |
| Communication expenses  | 59,215                   | 51,030                   |
| Electricity & water charges   | 12,111                   | 13,290                   |
| Legal & professional charges  | 986,194                  | 533,558                  |
| Advertisement expenses  | 132,078                  | 66,435                   |
| Rates, fee & taxes  | 225,532                  | 137,763                  |
| Office repair & maintenance   | 3,007                    | 12,593                   |
| Claim paid  | —                        | 1,250,000                |
| Bad Debts written off   | 27,265,014               | 289                      |
| Other expenses  | 420,736                  | 36,582                   |
|   | <u>30,447,504</u>        | <u>3,440,833</u>         |
| Less : Recovery of expenses   | <u>2,070,000</u>         | <u>2,092,500</u>         |
|   | <u>28,377,504</u>        | <u>1,348,333</u>         |
| <b>Schedule – 12</b>  |                          |                          |
| <b><u>Interest &amp; finance charges</u></b>                                    |                          |                          |
| Bank charges  | 2,502                    | 7,693                    |
| Interest paid   |                          |                          |
| — on debentures   | 6,490,274                | —                        |
| — on working capital loans  | 28,420,666               | —                        |
|   | <u>34,913,442</u>        | <u>7,693</u>             |

## **Schedule – 13**

### **Significant Accounting Policies**

#### **Background**

Almondz Capital & Management Services Limited ("ACMS" or "the Company") is a company. The company was incorporated in the year 1991. The company is presently listed on the BSE and DSE. The company got registered as NBFC with RBI dated 07-10-2008. The company is in the business of non banking financial services.

#### **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, pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, and NBFC (Non-deposit accepting or holding) companies prudential norms (Reserve Bank) Directions, 2007, as adopted consistently by the Company.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standards.

#### **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### **Revenue from services**

Revenue from services rendered is recognised as the service is performed based on agreements/arrangements with the concerned parties.

#### **Dividends**

Revenue is recognised when the shareholders' right to receive payment was established during the accounting year.

#### **Interest**

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

#### **Retirement and other Employees Benefits**

- i) Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the profit and loss account for the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
- ii) Gratuity is a defined benefit obligation. The company has taken group gratuity scheme with TATA AIG Insurance Co. Limited to cover the gratuity liability of the employees. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.

- iii) The Company makes a provision in its books for liability towards encashment of leave lying to the credit of employee as on the last day of current financial year, subject to the maximum period of leave allowable by the company, as if all employees are retiring on the Balance Sheet date. Leave Encashment liability is incurred and provided for on the basis of actuarial valuation made at the end of the financial year.
- iv) Actuarial gains/losses are debited to profit and loss account and are not deferred.

#### **Fixed Assets**

Fixed assets are stated at cost and other incidental expenses, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the assets to its working condition for its intended use.

#### **Depreciation**

Depreciation on all the assets of the company is provided on straight line method at rates provided in Schedule XIV to the Companies Act, 1956. Depreciation on assets costing upto Rs.5,000/- are depreciated at the rate of 100% on pro-rata basis except those which constitute more than 10% of the aggregate actual cost of Plant & Machinery, on which the applicable rate of depreciation is charged. Depreciation on additions to assets or on sale/adjustments of assets is calculated pro-rata from the date of such addition or up to the date of such sale/adjustment. Intangible assets are recorded at cost and amortised over the period the Company expects to derive economic benefits from their use.

#### **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 or market value. 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.

#### **Taxation**

Income tax expense is recognised in accordance with Accounting Standard 22 prescribed under the Companies (Accounting Standards) Rules, 2006. 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.

### Provisions and Contingent Liability

A provision for losses arising from claims, litigation, assessments, fines, penalties, etc is recognised when the Company has a present obligation as a result of a past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

### Earnings per share

In accordance with Accounting Standard 20 prescribed under the Companies (Accounting Standards) Rules, 2006, 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.

### Operating leases taken

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

### Segmental 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'.

### Schedule 14

#### Notes to the Accounts

- Corporate Guarantee issued in favour of Axis Bank Limited for Rs. 30,50,00,000/- for various bank limits granted to Almondz Global Securities Limited.
- Hitherto the company was providing the depreciation on Written Down Value method. In order to bring the method of depreciation in line with the subsidiary company, the company changed the method of providing depreciation from Written Down Value (WDV) to Straight Line Method (SLM) effective inception. Consequently the accumulated depreciation has been re-computed and the excess amount of Rs. 3,78,749/- upto 31-03-2009 has been reversed to the credit of Profit & Loss account. Due to such change,

the profit for the year, Reserve & Surplus and Net Block of Fixed Assets as at close of the financial year are more to that extent.

### 3. Provision for Tax

#### a) Deferred Tax :

Major components of deferred tax Assets (net) arising on account of timing difference are as under :

(Rupees)

| Particulars                           | 2009-10   | 2008-09     |
|---------------------------------------|-----------|-------------|
| <b>Deferred Tax Liabilities</b>       |           |             |
| Provision for retirement benefits     | 21,045    | —           |
| <b>Total Deferred Tax Liabilities</b> | 21,045    | —           |
| <b>Deferred Tax assets</b>            |           |             |
| Fixed Assets                          | 7,12,921  | 9,49,002    |
| Unabsorbed Depreciation               | 11,93,577 | 31,82,642   |
| Unabsorbed Capital Loss               | 77,58,726 | 1,48,05,812 |
| <b>Total Deferred Tax Assets</b>      | 96,65,224 | 1,89,37,456 |
| <b>Deferred Tax Assets (Net)</b>      | 96,44,179 | 1,89,37,456 |

Since net result is amounting to Deferred Tax Asset, the same has not been recognized in these accounts as per conservative accounting policies of the company.

#### b) Current Tax :

The provision for current tax has been arrived at after taking into account the brought forward depreciation losses to the extent available for set off, and the other exemptions, deductions and disallowances of certain expenditure under the Income Tax Act, as may be applicable, on the assumption that same would be available in the case of the company.

- Earning per share is computed in accordance with the mandatory requirement of Accounting Standard AS-20

(Rupees)

| Particulars   | 2009-10    | 2008-09    |
|---|------------|------------|
| a) Net Profit After Tax available for Equity Shareholders (Rs.) | 11,478,176 | 49,71,172  |
| b) Weighted average No. of Equity Shares for Basic EPS (Nos.)   | 10,015,900 | 10,015,900 |
| c) Weighted average No. of Equity Shares for Diluted EPS (Nos.) | 11,496,832 | 10,015,900 |
| d) Basic earning per share (Rs.)                                | 1.15       | 0.50       |
| e) Diluted earning per share (Rs.)                              | 1.00       | 0.50       |

**5. Managerial Remuneration :**

(Rupees)

| Particulars   | 2009-10 | 2008-09 |
|---|---------|---------|
| a) Managing Director :<br>Salary, Wages &<br>Allowances | 812,500 | 765,000 |

**6. Payment to Auditors :**

(Rupees)

| Particulars   | 2009-10 | 2008-09 |
|---|---------|---------|
| <b>Statutory Auditors :</b><br>(Inclusive of Service Tax) |         |         |
| Audit Fee   | 104,785 | 44,144  |
| Taxation Matters  | —       | 6,000   |
| Certification Fee   | 57,356  | 15,204  |
|   | 162,141 | 65,348  |

**7. Gratuity and leave benefit plans : (AS 15 Revised)**

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 of leave encashment is recognized in the same manner as gratuity.

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

(Rupees)

| Particulars                           | Gratuity 2009-10 | Gratuity 2008-09 |
|---------------------------------------|------------------|------------------|
| Opening defined benefit obligation    | 40,642           | 125,790          |
| Interest cost                         | 3,251            | 8,630            |
| Current service cost                  | 25,399           | 39,110           |
| Actual return on plan assets          | —                | 8,950            |
| Benefits paid                         | —                | 149,639          |
| Actuarial (gain) / loss on obligation | 9,889            | 16,760           |
| Closing defined benefit obligation    | 79,170           | 40,642           |

**Actuarial Assumptions**

| Particulars                            | Gratuity  |           | Leave Encashment |         |
|--|-----------|-----------|------------------|---------|
|  | 2009-10   | 2008-09   | 2009-10          | 2008-09 |
| Mortality table ( LIC)                 | (1994-96) | (1994-96) |                  |         |
| Discount rate                          | 8.50%     | 8.00%     | 8.50%            | —       |
| Expected rate of return on plan assets | 8.50%     | 7.00%     | 0.00%            | —       |
| Rate of escalation in salary per annum | 7.50%     | 7.50%     | 7.50%            | —       |
| Employee turnover up to 30 years       | 1.00%     | 1.00%*    | 1.00%            | —       |
| Above 30 years but up to 44 years      | 1.00%     | 1.00%*    | 1.00%            | —       |
| Above 44 years                         | 1.00%     | 1.00%*    | 1.00%            | —       |

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

(Rupees)

| Particulars                       | Gratuity 2009-10 | Gratuity 2008-09 |
|-----------------------------------|------------------|------------------|
| Opening fair value of plan assets | 85,878           | 161,700          |
| Expected return                   | 6,870            | 13,050           |
| Contributions by employer         | 10,000           | 40,174           |
| Benefits paid                     | —                | 149,639          |
| Actuarial gain / (losses)         | (818)            | 20,600           |
| Closing fair value of plan assets | 101,919          | 85,878           |

**Profit and Loss account :**

(Rupees)

| Particulars                    | Gratuity 2009-10 | Gratuity 2008-09 |
|--------------------------------|------------------|------------------|
| Current service cost           | 25,399           | 39,110           |
| Interest cost                  | 3,251            | 8,630            |
| Expected return on plan assets | (6,870)          | (13,050)         |
| Actuarial gain / (losses)      | 10,707           | 38,820           |
| Net benefit expense            | 32,487           | 73,510           |
| Actual return on plan assets   | 6,052            | 8,954            |

**Balance sheet :**

(Rupees)

| Particulars                | Gratuity 2009-10 | Gratuity 2008-09 |
|----------------------------|------------------|------------------|
| Defined benefit obligation | 79,170           | 40,642           |
| Fair value of plan assets  | 101,919          | 85,878           |
| Plan (Liability) / Asset   | 22,749           | 45,236           |

Liability in respect of leave encashment at the end of the current year amounts to Rs. 61,914/-.



The estimates of future salary increase considered in actuarial valuation after taking 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 + Service Related

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

8. Previous Year figures have been re-grouped/re-arranged wherever considered necessary to conform to current years figures.

## 9. Segment Reporting

(Rupees)

| Particulars                                   | Fees & commission        | Income from Investments & Trading | Unallocable                 | Total                        |
|---|--------------------------|-----------------------------------|-----------------------------|------------------------------|
| <b>Segment Revenue</b>                        |                          |                                   |                             |                              |
| Gross Segment Revenue                         | 127,663<br>(4,448,107)   | 77,167,162<br>(3,952,326)         | 79,211<br>(721,313)         | 77,374,036<br>(9,121,746)    |
| Less : Inter Segment Adjustment               | —<br>(—)                 | —<br>(—)                          | —<br>(—)                    | —<br>(—)                     |
| Net Segment Revenue                           | 127,663<br>(4,448,107)   | 77,167,162<br>(3,952,326)         | 79,211<br>(721,313)         | 77,374,036<br>(9,121,746)    |
| <b>Segment Results</b>                        |                          |                                   |                             |                              |
| Segment Results before Extra-Ordinary Items   | (139,337)<br>(4,448,107) | 15,258,208<br>(3,952,326)         | (2,596,326)<br>(-3,153,091) | 12,522,545<br>(5,247,342)    |
| Prior Period Expenses / (Income) & Provisions | —<br>(—)                 | —<br>(—)                          | (455,056)<br>(78,478)       | (455,056)<br>(78,478)        |
| Profit before Tax                             | (139,337)<br>(4,448,107) | 15,258,208<br>(3,952,326)         | (2,141,270)<br>(-3,074,613) | 12,977,601<br>(5,325,820)    |
| Less : Provision for Tax                      | —<br>(—)                 | —<br>(—)                          | (1,370,119)<br>(354,648)    | (1,370,119)<br>(354,648)     |
| Profit after Tax                              | (139,337)<br>(4,448,107) | 15,258,208<br>(3,952,326)         | (771,151)<br>(-3,429,261)   | 14,347,720<br>(4,971,172)    |
| <b>Other Information</b>                      |                          |                                   |                             |                              |
| Segment Assets                                | —<br>(1,732,600)         | 465,811,576<br>(320,710,918)      | 15,895,691<br>(187,779,728) | 481,707,267<br>(341,223,246) |
| Segment Liabilities                           | —<br>(—)                 | 120,319,589<br>(—)                | 5,816,712<br>(341,223,246)  | 126,136,301<br>(341,223,246) |

### Notes :

- Primary 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.
- Fees and Commission activities comprises of broking / commission / underwriting / arranger fees mainly in the nature of services involving no or negligible financial risk.
- Income from Investments and trading comprises of dividend received on shares, interest on Fixed Deposits, Profit on trading activities, Profit on sale of Investment & Interest on loan.
- The accounting policies of the segments are the same, to the extent possible, as those described in the summary of significant accounting policies as referred to in Schedule '13' to the accounts.

**10. Related Party Disclosures :**

**A) Names of related parties & description of relationship :**

**(i) Subsidiaries :**

(Entities with which control relationship exists)

- a) M/s Almondz Global Securities Ltd.
- b) M/s Moon Orchid Housing Private Limited
- c) M/s Meadow Real Estate Private Limited
- d) M/s Almondz Insurance Brokers Pvt. Ltd.
- e) M/s Almondz Re-insurance Brokers Pvt. Ltd.

f) M/s Almondz Finanz Limited

g) M/s Almondz Commodities Pvt. Ltd.

h) M/s Almondz Retail Equity Limited

**(ii) Associates :**

a) M/s Innovative Money Matters Pvt. Ltd.

b) M/s Shivaz Spas & Hospitality Pvt Ltd.

**(iii) Key Managerial Personnel :**

a) Mr. Ramesh Peer - Managing Director

**B) Transactions during the year and balances outstanding as at the year-end in respect of transactions entered into during the year with the related parties.**

(Rupees)

|  | Subsidiaries  | Associates   | Key Managerial Personnel | Total         |
|--|---------------|--------------|--------------------------|---------------|
| <b>Loans &amp; Advances</b>            |               |              |                          |               |
| Balance as at 01.04.2009               | —             | 14,426,323   | —                        | 14,426,323    |
|  | (—)           | (—)          | (—)                      | (—)           |
| Paid during the year                   | 196,069,614   | 12,571,691   | —                        | 208,641,305   |
|  | (—)           | (14,426,323) | (—)                      | (14,426,323)  |
| Receipts / Adjustments during the year | 191,630,274   | 26,998,014   | —                        | 218,628,288   |
|  | (—)           | (—)          | (—)                      | (—)           |
| Balance as at 31.03.2010               | 4,439,340     | —            | —                        | 4,439,340     |
|  | (—)           | (—)          | (—)                      | (—)           |
| <b>Investments</b>                     |               |              |                          |               |
| Balance as at 01.04.2009               | 319,937,908   | 200,000      | —                        | 320,137,908   |
|  | (181,988,775) | (50,000)     | (—)                      | (182,038,775) |
| Purchase of Investments                | 26,593,133    | —            | —                        | 26,593,133    |
|  | (137,949,132) | (1,200,000)  | (—)                      | (139,149,132) |
| Sale during the year                   | 2,558,608     | —            | —                        | 2,558,608     |
|  | (—)           | (300,000)    | (—)                      | (300,000)     |
| Balance as at 31.03.2010               | 343,972,433   | 200,000      | —                        | 344,172,433   |
|  | (319,937,908) | (950,000)    | (—)                      | (320,887,908) |
| <b>Unsecured Loan</b>                  |               |              |                          |               |
| Balance as at 01.04.2009               | —             | —            | —                        | —             |
|  | (—)           | (—)          | (—)                      | (—)           |
| Received during the year               | 415,417,535   | —            | —                        | 415,417,535   |
|  | (—)           | (—)          | (—)                      | (—)           |
| Repayment of loan during the year      | 335,083,343   | —            | —                        | 335,083,343   |
|  | (—)           | (—)          | (—)                      | (—)           |
| Balance as at 31.03.2010               | 80,334,192    | —            | —                        | 80,334,192    |
|  | (—)           | (—)          | (—)                      | (—)           |

(Rupees)

|  | Subsidiaries | Associates | Key Managerial Personnel | Total       |
|--|--------------|------------|--------------------------|-------------|
| <b>Sundry Debtors</b>  |              |            |                          |             |
| Balance as at 31.03.2010   | 165,620      | —          | —                        | 165,620     |
|  | (—)          | (—)        | (—)                      | (—)         |
| <b>Income</b>  |              |            |                          |             |
| Dividend   | 3,730,046    | —          | —                        | 3,730,046   |
|  | (3,668,300)  | (—)        | (—)                      | (3,668,300) |
| Rent   | 2,283,216    | —          | —                        | 2,283,216   |
|  | (2,322,300)  | (25,280)   | (—)                      | (2,347,580) |
| Profit on sale of Investment   | 5,003,100    | —          | —                        | 5,003,100   |
|  | (—)          | (—)        | (—)                      | (—)         |
| Interest received  | 1,330,274    | —          | —                        | 1,330,274   |
|  | (—)          | (348,014)  | (—)                      | (348,014)   |
| <b>Expenditure</b>   |              |            |                          |             |
| Payments & Provision of Salary/Retirement benefits to Key Managerial Personnel | —            | —          | 812,500                  | 812,500     |
|  | (—)          | (—)        | (765,000)                | (765,000)   |
| Purchase of Securities   | 50,170,068   | —          | —                        | 50,170,068  |
|  | (—)          | (—)        | (—)                      | (—)         |
| Interest paid  | 417,535      | —          | —                        | 417,535     |
|  | (—)          | (—)        | (—)                      | (—)         |
| Bad Debts  | —            | 26,998,014 | —                        | 26,998,014  |
|  | (—)          | (—)        | (—)                      | (—)         |
| Expences Reimbursed  | 12,111       | —          | —                        | 12,111      |
|  | (—)          | (—)        | (—)                      | (—)         |
| Brokerage and DP Charges   | 3,365,334    | —          | —                        | 3,365,334   |
|  | (—)          | (—)        | (—)                      | (—)         |

**Note :**

(i) Previous year figures are indicated in brackets (—)

**11. 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 follows :**

| Particulars  | Quantity<br>(Nos.) | Cost of Securities<br>(As per FIFO<br>Method) (A)<br>(in Rs.) | Market / Fair<br>Value of<br>Securities (B)<br>(in Rs.) | Closing Stock<br>as on<br>31st March, 2010<br>(Lower of A or B)<br>(in Rs.) |
|--|--------------------|---|---|---|
| <b>Non Government Securities / Bonds</b>             |                    |   |   |   |
| 9.55% Industrial Financial Corporation of India 2025 | 50                 | 50,000,000  | 47,915,000  | 47,915,000  |
| <b>Total Value of Stock of Securities (A)</b>        | <b>50</b>          | <b>50,000,000</b>   | <b>47,915,000</b>                                       | <b>47,915,000</b>   |
| <b>Quoted Shares</b>                                 |                    |   |   |   |
| Amar Remedies Limited                                | 20000              | 1,221,565   | 1,209,000   | 1,209,000   |
| India Bulls Industries Limited                       | 10000              | 352,251   | 278,000   | 278,000   |
| Mount Everest Mineral Water Limited                  | 8000               | 621,440   | 532,800   | 532,800   |
| Cubical Financial Services Limited                   | 3000               | —   | 36,420  | 36,420  |
| <b>Total value of Stock of Shares (B)</b>            | <b>41000</b>       | <b>2,195,256</b>  | <b>2,056,220</b>  | <b>2,056,220</b>  |
| <b>Total (A + B)</b>                                 | <b>41050</b>       | <b>52,195,256</b>   | <b>49,971,220</b>                                       | <b>49,971,220</b>   |

**12. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2010.**

As per our report of even date  
For **H. V. & Associates**  
Chartered Accountants

**H.K. Chhabra**  
Partner  
(FCA – Membership No. 089616)  
New Delhi  
May 29, 2010

For and on behalf of Board of Directors

**Ajay Pratap**  
Company Secretary

**G. P. Agrawal**      **Ramesh Peer**  
Director      Managing Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

State Code

55

CIN

L67190DL1991PLCO45857

Balance Sheet Date

31 03 2010  
Date Month Year**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

480278.06

Total Assets

480278.06

Sources of Funds

Paid-up Capital

106667.13

Reserves &amp; Surplus

248903.84

Advance against Option Warrants

4387.50

Secured Loans

39985.40

Unsecured Loans

80334.19

Application of Funds

Net Fixed Assets

964.87

Investments

344295.43

Net Current Assets

135017.76

Miscellaneous Expenditure

NIL

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

Turnover

77374.04

Total Expenditure

64851.49

+ -

Profit Before Tax

✓

12977.60

+ -

Profit After Tax

✓

14347.72

Earning per Share (Basic) in Rs.

1.15

Earning per Share (Diluted) in Rs.

1.00

Dividend Rate %

NIL

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

(As per Monetary Terms)

Item Code No. (ITC Code)

N/A

Service Description

SUBBROKERY ADVISORY SERVICES

Item Code No. (ITC Code)

N/A

Service Description

INVESTMENT BANKING

As per our report of even date

For **H. V. & Associates**

Chartered Accountants

For and on behalf of Board of Directors

**H.K. Chhabra**

Partner

(FCA – Membership No. 089616)

New Delhi

May 29, 2010

**Ajay Pratap**

Company Secretary

**G. P. Agrawal**

Director

**Ramesh Peer**

Managing Director

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Moon Orchid Housing Private Limited</b>      |
|--|---|
| Financial period ended   | March 31, 2010                                  |
| Holding Company's interest   | 100% in equity shares (Wholly owned Subsidiary) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 50,000 equity shares of Rs. 10/- each           |
| Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company          |   |
| a) dealt with or provided for in the accounts of the holding Company   | 0.43 (Loss)                                     |
| b) not dealt with or provided for in the accounts of the holding Company   | Nil   |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |   |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.   |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.   |

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Meadow Real Estate Private Limited</b>       |
|--|---|
| Financial period ended   | March 31, 2010                                  |
| Holding Company's interest   | 100% in equity shares (Wholly owned Subsidiary) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 50,000 equity shares of Rs. 10/- each           |
| Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company          |   |
| a) dealt with or provided for in the accounts of the holding Company   | 0.43 (Loss)                                     |
| b) not dealt with or provided for in the accounts of the holding Company   | Nil   |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |   |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.   |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.   |

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Almondz Global Securities Limited</b>  |
|--|---|
| Financial period ended   | March 31, 2010                            |
| Holding Company's interest   | 49.97% in equity shares *                 |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 1,26,53,314 equity shares of Rs. 6/- 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   | 538.46 (Profit)                           |
| b) not dealt with or provided for in the accounts of the holding Company   | 539.11 (Profit)                           |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |   |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.                                     |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.                                     |

\* Almondz Capital & Management Services Ltd. (ACMS) held 49.97% of voting rights, Almondz Insurance Brokers Pvt. Ltd. (AIBPL) held 0.13% voting rights and rest voting rights of 49.90% was with others in Almondz Global Securities Ltd. (AGSL) as on 31<sup>st</sup> March 2010. As per section 42(3) of the Companies Act 1956, AIBPL being subsidiary of AGSL did not have right to vote on those shares accordingly total voting rights in AGSL reduced by 0.13% resulting increase in the voting right of ACMS upto 50.03% and thus AGSL became a subsidiary of ACMS in terms of provisions of Section 4 of Companies Act, 1956 and hence AGSL accounts has been consolidated with the accounts of ACMS as per the provisions of the law and accounting standards.

For and on behalf of the Board of Directors

New Delhi  
29th May, 2010

**Ajay Pratap**  
Company Secretary

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Almondz Finanz Limited</b>  |
|--|--|
| Financial period ended   | March 31, 2010   |
| Holding Company's interest   | 49.97% indirect holding (A wholly owned subsidiary of Almondz Global Securities Limited) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 1,26,53,314 equity shares (indirect holding) of Rs. 6/- 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   | 20.19 (Loss)   |
| b) not dealt with or provided for in the accounts of the holding Company   | 20.21 (Loss)   |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |  |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.  |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.  |

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Almondz Commodities Private Limited</b>                                       |
|--|--|
| Financial period ended   | March 31, 2010   |
| Holding Company's interest   | 49.97% indirect holding (99.33% subsidiary of Almondz Global Securities Limited) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 1,26,53,314 equity shares (indirect holding) of Rs. 6/- 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   | 6.64 (Loss)  |
| b) not dealt with or provided for in the accounts of the holding Company   | 6.74 (Loss)  |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |  |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.  |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.  |

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Almondz Retail Equity Limited</b>   |
|--|--|
| Financial period ended   | March 31, 2010   |
| Holding Company's interest   | 49.97% indirect holding (A wholly owned subsidiary of Almondz Global Securities Limited) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 1,26,53,314 equity shares (indirect holding) of Rs. 6/- 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   | 0.06 (Profit)  |
| b) not dealt with or provided for in the accounts of the holding Company   | 0.06 (Profit)  |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |  |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.  |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.  |

For and on behalf of the Board of Directors

New Delhi  
29th May, 2010

**Ajay Pratap**  
Company Secretary

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Almondz Insurance Brokers Private Limited**</b>                          |
|--|---|
| Financial period ended   | March 31, 2010  |
| Holding Company's interest   | 49.97% indirect holding (a subsidiary of Almondz Global Securities Limited) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 1,26,53,314 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   | 0.23 (Profit)   |
| b) not dealt with or provided for in the accounts of the holding Company   | 0.67 (Profit)   |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |   |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.   |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.   |

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

(Rs. In Lacs)

| <b>Subsidiary</b>  | <b>Almondz Re-insurance Brokers Private Limited**</b>  |
|--|--|
| Financial period ended   | March 31, 2010   |
| Holding Company's interest   | 49.97% indirect holding (A wholly owned subsidiary of Almondz Insurance Brokers Private Limited) |
| Shares held by the Holding Company in Subsidiary Company fully paid up   | 1,26,53,314 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   | 4.02 (Loss)  |
| b) not dealt with or provided for in the accounts of the holding Company   | 11.75 (Loss)   |
| Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company |  |
| a) dealt with or provided for in the accounts of the holding Company   | N. A.  |
| b) not dealt with or provided for in the accounts of the holding Company   | N. A.  |

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

For and on behalf of the Board of Directors

New Delhi  
29th May, 2010

**Ajay Pratap**  
Company Secretary

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director



## Auditors' Report

To the Board of Directors

**Almondz Capital & Management Services Ltd.**

1. We have audited the attached consolidated Balance Sheet of Almondz Capital & Managements Services Ltd., as at 31 March 2010, and also the consolidated Profit and Loss account and the consolidated Cash Flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries whose financial statements for the year ended 31 March 2010 total assets of Rs. 1,838,452,362/- as at 31 March 2010 and total revenues of Rs. 829,706,644/- and net cash outflows amounting to Rs. 207,485,979/- for the year ended on that date. These financial statements and other financial information considered in preparation and presentation of these consolidated financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and the associate, is based solely on the reports of the other auditors
4. The consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.
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 2010;
- (b) in the case of the consolidated Profit and Loss account, of the profit for the year ended on that date, and
- (c) in the case of the consolidated Cash flow statement, of the cash flows for the year ended on that date.

**For H. V. & Associates**  
Chartered Accountants

**H. K. Chhabra**  
Partner

New Delhi  
May 29, 2010

(FCA – Membership No. 089616)

**Consolidated Balance Sheet as at 31st March, 2010**

(Amount in Indian Rupees)

| Particulars  | Schedule No. | As at 31.03.2010     |
|--|--------------|----------------------|
| <b>Sources of funds</b>  |              |                      |
| <b>Shareholders' funds</b>                                       |              |                      |
| Share capital  | 1            | 106,667,131          |
| Reserves and surplus   | 2            | 422,346,285          |
| <b>Minority Interest</b>   |              | 531,721,516          |
| <b>Advance against option warrant</b>                            | 18(3)        | 68,948,150           |
| <b>Loan funds</b>  |              |                      |
| Secured loans  | 3            | 506,973,256          |
|  |              | <b>1,636,656,338</b> |
| <b>Application of funds</b>                                      |              |                      |
| <b>Fixed assets</b>  | 4            |                      |
| Gross block  |              | 180,880,713          |
| Less : Accumulated depreciation and impairment                   |              | (60,318,669)         |
| Net block  |              | 120,562,044          |
| Capital work in progress (including capital advances)            |              | 963,725              |
|  |              | 121,525,769          |
| <b>Deferred tax asset (net)</b>                                  | 18(11)       | 2,573,799            |
| <b>Investments</b>   | 5            | 17,191,530           |
| <b>Current assets, loans and advances</b>                        |              |                      |
| Stock in trade   | 6            | 929,336,348          |
| Sundry debtors   | 7            | 134,324,478          |
| Cash and bank balances   | 8            | 360,250,508          |
| Loans and advances   | 9            | 319,427,052          |
| Other current assets   | 10           | 11,960,313           |
|  |              | 1,755,298,699        |
| <b>Less : Current liabilities and provisions</b>                 | 11           |                      |
| Current liabilities  |              | 249,862,324          |
| Provisions   |              | 10,071,135           |
|  |              | 259,933,459          |
| <b>Net current assets</b>  |              | 1,495,365,240        |
|  |              | <b>1,636,656,338</b> |
| <b>Significant accounting policies and notes to the accounts</b> | 18           |                      |

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

As per our report of even date attached

**For H. V. & Associates**  
Chartered Accountants

**H.K. Chhabra**  
Partner  
(FCA – Membership No. 089616)  
New Delhi  
May 29, 2010

For and on behalf of Board of Directors

**Ajay Pratap**  
Company Secretary

**G. P. Agrawal**  
Director

**Ramesh Peer**  
Managing Director

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

(Amount in Indian Rupees)

| Particulars   | Schedule<br>No. | Year ended<br>31.03.2010 |
|---|-----------------|--------------------------|
| <b>Income</b>   |                 |                          |
| Advisory and consultancy fees   |                 | 169,541,114              |
| Broking activities  | 12              | 297,361,395              |
| Net results in trading of shares / securities   | 13              | 403,082,862              |
| Other income  | 14              | 31,319,288               |
|   |                 | <b>901,304,659</b>       |
| <b>Expenditure</b>  |                 |                          |
| Professional charges  |                 | 31,772,279               |
| Brokerage and commission  |                 | 161,300,421              |
| Personnel expenses  | 15              | 247,418,755              |
| Administrative and other expenses   | 16              | 198,842,633              |
| Finance charges   | 17              | 58,897,015               |
| Depreciation  |                 | 19,420,129               |
| Fixed assets discarded  |                 | 2,144,937                |
| Pre-operative expenses written off  |                 | 53,340                   |
|   |                 | <b>719,849,509</b>       |
| Profit before extraordinary, prior period items and taxes                               |                 | 181,455,150              |
| <b>Prior period</b>   |                 |                          |
| Income / (expenses) (net)   | 18(6)           | (1,182,139)              |
| <b>Effect of change in accounting policy</b>  |                 |                          |
| Reversal of depreciation  |                 | (378,749)                |
| <b>Profit before tax</b>  |                 | <b>180,651,760</b>       |
| <b>Tax expense :</b>  |                 |                          |
| — Income-tax for earlier year / (credit)  |                 | 3,059,742                |
| — Income-tax for current year / (credit)  |                 | 63,847,842               |
| — MAT credit  |                 | (2,045,960)              |
| — Deferred tax charge / (credit)  | 18(11)          | (4,580,609)              |
| — Wealth tax  |                 | 46,337                   |
|   |                 | 60,327,352               |
| <b>Net profit for the year</b>  |                 | 120,324,408              |
| Less : Special reserve<br>(under section 45-IC of the Reserve Bank of Indian Act, 1934) |                 | 2,869,544                |
|   |                 | 117,454,864              |
| Surplus brought forward from previous year  |                 | 49,775,013               |
| <b>Surplus available for appropriation</b>  |                 | <b>167,229,877</b>       |
| Minority Interest   |                 | 54,150,798               |
| Share of profit / (losses) of associate   |                 | 3,540,180                |
| <b>Net surplus carried to balance sheet</b>   |                 | <b>116,619,259</b>       |
| Earnings per share (Face value Rs.10 each)<br>Refer to note 12 of schedule 18           |                 |                          |
| — Basic   |                 | 6.67                     |
| — Diluted   |                 | 5.81                     |
| <b>Significant accounting policies and notes to the accounts</b>                        | 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 and on behalf of Board of Directors

For **H. V. & Associates**

Chartered Accountants

**H.K. Chhabra**
 Partner  
 (FCA – Membership No. 089616)  
 New Delhi  
 May 29, 2010

**Ajay Pratap**  
 Company Secretary

**G. P. Agrawal**  
 Director

**Ramesh Peer**  
 Managing Director

**Consolidated Cash Flow Statement for the year ended 31st March, 2010**

(Amount in Indian Rupees)

| Particulars  | Year ended<br>31.03.2010 |
|--|--------------------------|
| <b>A. Cash flow from operating activities</b>                                  |                          |
| Profit before extraordinary, prior period items and taxes                      | 181,455,150              |
| <b>Adjustments for :</b>   |                          |
| Depreciation   | 19,934,554               |
| (Profit) / loss on sale of fixed assets  | 6,487,573                |
| (Profit) / loss on sale of investment  | (5,014,448)              |
| Fixed assets written off   | 2,144,937                |
| Provision for employee benefits  | 1,735,908                |
| Bad debts written off  | 6,531,255                |
| Provision for doubtful debts   | 472,000                  |
| Excess provision for doubtful debts written back                               | (7,131,170)              |
| Dividend received from other investments                                       | (652,216)                |
| Interest received  | (16,476,386)             |
| Accrued interest on closing stock of securities                                | (2,219,090)              |
| Liabilities no longer required written back                                    | (467,137)                |
| Finance charges  | 25,731,381               |
|  | 212,532,311              |
| Less : Prior period expense / (income)   | 1,182,139                |
| <b>Operating profit before working capital changes</b>                         | <b>211,350,172</b>       |
| <b>Adjusted for net changes in working capital :</b>                           |                          |
| (Increase) / decrease in stock in trade  | (657,805,692)            |
| (Increase) / decrease in sundry debtors  | (24,350,294)             |
| (Increase) / decrease in loans and advances and other current assets           | (109,401,395)            |
| Increase / (decrease) in current liabilities and provisions                    | 74,603,088               |
| <b>Cash flow before extra ordinary items and tax</b>                           | <b>(505,604,122)</b>     |
| Taxes paid   | (83,533,354)             |
| <b>Net cash generated from/(used in) operating activities (A)</b>              | <b>(589,137,476)</b>     |
| <b>B. Cash flow from investing activities</b>                                  |                          |
| Purchase of fixed assets   | (20,466,393)             |
| (Increase) / decrease in capital work-in-progress                              | 30,039,860               |
| Proceeds from sale of fixed assets   | 8,566,762                |
| Proceeds from sale of investment   | 7,564,448                |
| Fixed deposits (with a maturity more than 90 days) placed                      | (318,389,617)            |
| Fixed deposits (with a maturity more than 90 days) matured                     | 148,681,461              |
| Investments made   | (37,890,373)             |
| Dividend received  | 4,382,263                |
| Interest received  | 19,019,479               |
| <b>Net cash from/(used in) investing activities (B)</b>                        | <b>(158,492,109)</b>     |
| <b>C. Cash flow from financing activities</b>                                  |                          |
| Adjustments in share capital on account of consolidation                       | (200,004)                |
| Proceeds from issue of option warrants   | 68,948,150               |
| Proceeds from minority interest  | 25,892,004               |
| Adjustments on consolidation   | 4,917,414                |
| Proceeds from secured long term borrowings                                     | 42,418,951               |
| Repayment of secured long term borrowings                                      | (17,581,666)             |
| Receipts / (Repayment) from / (of) working capital loan cash credit facilities | 454,118,827              |
| Dividend paid and corporate dividend tax                                       | (8,887,560)              |
| Finance charges  | (27,479,189)             |
| <b>Net cash from/(used in) financing activities (C)</b>                        | <b>542,146,927</b>       |
| <b>Net cash inflows during the year (A+B+C)</b>                                | <b>(205,482,658)</b>     |
| <b>Cash and cash equivalents (opening balance)</b>                             | <b>396,025,008</b>       |
| <b>Cash and cash equivalents (closing balance)</b>                             | <b>190,542,350</b>       |

**Notes**

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

|   |                    |
|---|--------------------|
| Cash in hand  | 2,203,590          |
| Balances with scheduled banks                                   |                    |
| — on current account  | 186,788,762        |
| — on deposit account  | 1,549,998          |
| <b>Cash and cash equivalents (closing balance)</b>              | <b>190,542,350</b> |
| Add : Fixed deposits (with a maturity more than 90 days) placed | 169,708,158        |
| <b>Cash and bank balances at the end of the year</b>            | <b>360,250,508</b> |

As per our report of even date attached  
For **H. V. & Associates**  
Chartered Accountants

For and on behalf of Board of Directors

**H.K. Chhabra**  
Partner  
(FCA – Membership No. 089616)  
New Delhi  
May 29, 2010

**Ajay Pratap**  
Company Secretary

**G. P. Agrawal**  
Director

**Ramesh Peer**  
Managing Director

## Schedules forming part of the consolidated balance sheet as at 31st March, 2010

(Amount in Indian Rupees)

| Particulars  | As at<br>31.03.2010       |
|--|---------------------------|
| <b>Schedule – 1</b>  |                           |
| <b>Share capital</b>   |                           |
| <b>Authorised capital</b>  |                           |
| 150,00,000 equity shares of Rs.10/- each   | <u>150,000,000</u>        |
| <b>Issued and subscribed capital</b>   |                           |
| 11,395,280/- equity shares of Rs.10/- each   | <u>113,952,800</u>        |
| <b>Paid up capital</b>   |                           |
| 10,015,900/- equity shares of Rs.10/- each fully paid up   | 100,159,000               |
| Add : 13,79,380 shares forfeited   | 6,508,131                 |
|  | <u><b>106,667,131</b></u> |
| <b>Schedule – 2</b>  |                           |
| <b>Reserves &amp; surplus</b>  |                           |
| <b>Share premium</b>   | 109,337,900               |
| <b>Capital reserve</b>   |                           |
| Opening balance  | 74,448,968                |
| Add : Forfeiture of amount received against option warrants<br>(Refer to note 3 of schedule 18)  | 8,538,250                 |
| Add : Capital profit   | <u>105,698,584</u>        |
| Closing balance  | 188,685,802               |
| <b>Profit and loss account</b>   |                           |
| Opening balance  | 49,775,013                |
| Add : Profit after tax net of share in associate profit and minority interest  | 66,844,246                |
| Add : Dividend income of eliminated  | 3,839,546                 |
| Closing balance  | 120,458,805               |
| Special Reserve<br>(under section 45-IC of the Reserve Bank of Indian Act,1934)  | 3,863,778                 |
|  | <u><b>422,346,285</b></u> |
| <b>Schedule – 3</b>  |                           |
| <b>Secured loans</b>   |                           |
| <b>Loans and advances from banks</b>   |                           |
| Working capital loan<br>(Secured by way of hypothecation of demat account with the<br>Lender bank, holding securities of Central/ State Government, PSUs<br>and approved Corporate bonds and further secured by personal<br>guarantee of one director) | 482,330,157               |
| Bank overdraft<br>(Secured by way of hypothecation of fixed deposit with lender bank)  | 16,441,262                |
| Term - loan*   |                           |
| — Secured against hypothecation of specific vehicles financed  | 3,087,518                 |
| — Secured by way of equitable mortgage of Company's specific<br>properties at Kolkata, Bangalore, Coimbatore.<br>Further secured by personal guarantee of a director.  | 2,313,526                 |
| <b>Other loans and advances</b>  |                           |
| Term - loan*   |                           |
| — Secured against hypothecation of specific vehicles financed  | 2,800,793                 |
| * (Term loans repayable within one year Rs. 4,954,021/-)   |                           |
|  | <u><b>506,973,256</b></u> |

*Schedules forming part of the consolidated balance sheet as at 31st March, 2010*

**Schedule – 4**

**Fixed Assets**

**(Amount in Indian Rupees)**

| Particulars              | Gross Block         |                    |                   |                   |                     | Depreciation        |                   |                      |                  |                     | Net Block           |                     |
|--------------------------|---------------------|--------------------|-------------------|-------------------|---------------------|---------------------|-------------------|----------------------|------------------|---------------------|---------------------|---------------------|
|                          | As at<br>01.04.2009 | AGSL*              | Additions         | Adjust-<br>ments  | As at<br>31.03.2010 | Up to<br>01.04.2009 | AGSL*             | For<br>the<br>year** | Adjust-<br>ments | Up to<br>31.03.2010 | As at<br>31.03.2010 | As at<br>31.03.2009 |
| <b>Tangible assets</b>   |                     |                    |                   |                   |                     |                     |                   |                      |                  |                     |                     |                     |
| Official building        | —                   | 15,509,694         | —                 | 5,972,466         | <b>9,537,228</b>    | —                   | 500,305           | 155,457              | —                | <b>655,762</b>      | <b>8,881,466</b>    | —                   |
| Lease hold improvements  | —                   | 4,767,118          | —                 | —                 | <b>4,767,118</b>    | —                   | 2,063,575         | 953,424              | —                | <b>3,016,999</b>    | <b>1,750,119</b>    | —                   |
| Furniture and fixture    | 1,368,383           | 60,405,859         | 2,431,616         | 2,357,936         | <b>61,847,922</b>   | 699,366             | 12,712,699        | 6,259,588            | 996,006          | <b>18,675,647</b>   | <b>43,172,275</b>   | 669,017             |
| Computer and peripherals | 93,300              | 52,535,190         | 3,216,567         | 12,478,764        | <b>43,366,293</b>   | 86,522              | 16,843,834        | 6,982,920            | 2,859,753        | <b>21,053,523</b>   | <b>22,312,769</b>   | 6,778               |
| Office equipments        | 13,800              | 19,855,080         | 2,369,568         | 523,073           | <b>21,715,375</b>   | 2,934               | 2,937,391         | 1,039,684            | 266,139          | <b>3,713,870</b>    | <b>18,001,505</b>   | 10,866              |
| Vehicles                 | —                   | 12,146,419         | 4,700,621         | 155,000           | <b>16,692,040</b>   | —                   | 3,416,576         | 1,324,364            | 567,463          | <b>4,173,477</b>    | <b>12,518,563</b>   | —                   |
| V Sat                    | —                   | —                  | 158,138           | —                 | <b>158,138</b>      | —                   | —                 | 11,254               | —                | <b>11,254</b>       | <b>146,884</b>      | —                   |
| <b>Total</b>             | <b>1,475,483</b>    | <b>165,219,360</b> | <b>12,876,510</b> | <b>21,487,239</b> | <b>158,084,114</b>  | <b>788,822</b>      | <b>38,474,379</b> | <b>16,726,691</b>    | <b>4,689,361</b> | <b>51,300,532</b>   | <b>106,783,582</b>  | <b>686,661</b>      |
| <b>Intangible assets</b> |                     |                    |                   |                   |                     |                     |                   |                      |                  |                     |                     |                     |
| Software                 | —                   | 18,609,097         | 3,876,731         | 27,069            | <b>22,458,759</b>   | —                   | 5,788,514         | 3,174,079            | 4,424            | <b>8,958,169</b>    | <b>13,500,590</b>   | —                   |
| Painting and sculpture   | —                   | 261,840            | 76,000            | —                 | <b>337,840</b>      | —                   | 26,184            | 33,784               | —                | <b>59,968</b>       | <b>277,872</b>      | —                   |
| <b>Total</b>             | <b>—</b>            | <b>18,870,937</b>  | <b>3,952,731</b>  | <b>27,069</b>     | <b>22,796,599</b>   | <b>—</b>            | <b>5,814,698</b>  | <b>3,207,863</b>     | <b>4,424</b>     | <b>9,018,137</b>    | <b>13,778,462</b>   | <b>—</b>            |
| <b>Grand Total</b>       | <b>1,475,483</b>    | <b>184,090,297</b> | <b>16,829,241</b> | <b>21,514,308</b> | <b>180,880,713</b>  | <b>788,822</b>      | <b>44,289,077</b> | <b>19,934,554</b>    | <b>4,693,785</b> | <b>60,318,669</b>   | <b>120,562,044</b>  | <b>686,661</b>      |

**Capital work in progress (including capital advances)**

**963,725      31,003,585**

\* AGSL represents M/s Almondz Global Securities Limited and its group companies

\*\* Almondz Insurance Brokers Private Limited became a subsidiary with effect from 23 January 2010. Upto 22-01-2010 Financials of Almondz Insurance Brokers Private Limited (AIBPL) has been consolidated as per AS-23. Depreciation of AIBPL for the period from 01-04-2009 to 22-01-2010 amounting to Rs. 514,425/- figure of depreciation appearing in profit & loss account is Rs. 19,420,129/- (i.e. Rs. 19,934,554/- less Rs. 514,425/-)

Schedules forming part of the consolidated balance sheet as at 31st March, 2010

(Amount in Indian Rupees)

| Particulars   | As at<br>31.03.2010      |
|---|--------------------------|
| <b>Schedule – 5</b>   |                          |
| <b>Investments, long-term</b>   |                          |
| <b>Trade investment (unquoted, at cost)</b>   |                          |
| Almondz Re-insurance Brokers Private Limited<br>(99,000/- equity shares of Rs.10 each, fully paid up) | 1,227,600                |
|   | <u>1,227,600</u>         |
| <b>Other non-trade investments</b>  |                          |
| <b>(I) Investment in shares</b>   |                          |
| <b>a) Quoted (fully paid-up, at cost)</b>   |                          |
| Indo Korea Sports Limited<br>(389,600/- equity shares of Rs. 10 each)                                 | 3,896,000                |
| Ritesh Polyester Limited<br>(34,600/- equity shares of Rs. 10 each)                                   | 523,860                  |
| Ecoplast India Limited<br>(2,500/- equity shares of Rs. 10 each)                                      | 20,000                   |
| Vantech Industries Limited<br>(3,000/- equity shares of Rs. 10 each)                                  | 30,000                   |
| IDFC Arbitrage plus fund<br>(229,760.406/- units of Rs. 10 each, fully paid up)                       | 2,500,000                |
| Yes bank 09.65% 2020<br>(10 bonds of Rs. 1,000,000 each, fully paid up)                               | 9,999,000                |
| Religare Arbitrage fund<br>(253,034.83/- units of Rs. 10 each, fully paid up)                         | 2,591,364                |
|   | <u>19,560,224</u>        |
| <b>Less : Diminution in the value of investments</b>  | <u>4,469,860</u>         |
|   | 15,090,364               |
| <b>b) Unquoted (fully paid-up, at cost)</b>   |                          |
| Dijit Prognosis Private Limited<br>(3,000/- equity shares of Rs. 100 each)                            | 300,000                  |
| Globus Industries and Services Ltd.<br>(10,000/- equity shares of Rs. 10 each)                        | 100,000                  |
| Latitude 23 Communications Ltd.<br>(75,000/- equity shares of Rs. 10 each)                            | 750,000                  |
| Shiivaz Spas & Hospitality Pvt. Ltd.<br>(20,000/- equity shares of Rs. 10 each)                       | 200,000                  |
| <b>Less : Diminution in the value of investment</b>   | <u>1,050,000</u>         |
|   | 300,000                  |
| <b>Investment in Government Securities</b>  |                          |
| National Savings Certificate  | 23,000                   |
| <b>Investment in mutual funds (Quoted)</b>  |                          |
| Principal Liquid Management Fund- Growth Fund<br>40,578.001/- units of Rs. 10 each                    | 550,566                  |
| <b>Total</b>  | <u><u>17,191,530</u></u> |

*Schedules forming part of the consolidated balance sheet as at 31st March, 2010*

(Amount in Indian Rupees)

| Particulars | As at<br>31.03.2010 |
|-------------|---------------------|
|-------------|---------------------|

**Schedule – 6**

**Stock-in-trade**

|  |                    |
|--|--------------------|
| Equity shares - quoted at cost                           | 197,490,874        |
| Corporate, Central government and State government bonds | 731,845,474        |
|  | <b>929,336,348</b> |

**Schedule – 7**

**Sundry debtors**

|  |                    |
|--|--------------------|
| Secured, considered good               |                    |
| – outstanding for more than six months | –                  |
| – other debts                          | 81,415,755         |
|  | 81,415,755         |
| Unsecured, considered good             |                    |
| – more than six months                 | 148,367            |
| – other debts                          | 52,760,356         |
|  | 52,908,723         |
| Unsecured, considered doubtful         | 5,656,835          |
| Less : Provision for doubtful debts    | 5,656,835          |
|  | –                  |
|  | <b>134,324,478</b> |

**Schedule – 8**

**Cash and bank balances**

|   |                    |
|---|--------------------|
| Cash in hand  | 2,203,590          |
| Balances with scheduled banks   |                    |
| (Pledged against overdraft or security /guarantees issued by banks Rs. 115,783,156/-) |                    |
| – on current account  | 186,788,762        |
| – on deposit account  | 171,258,156        |
|   | 358,046,918        |
|   | <b>360,250,508</b> |

**Schedule – 9**

**Loans and advances**

|   |                    |
|---|--------------------|
| Unsecured, considered good  |                    |
| Advances recoverable in cash or in kind or for value to be received | 57,412,227         |
| Loans to body corporate and others                                  | 123,556,777        |
| Inter corporate deposits  | 12,500,000         |
| Security deposits   | 85,612,893         |
| Prepaid expenses  | 8,527,851          |
| MAT credit entitlement  | 2,045,960          |
| Balance with service tax authorities                                | 2,215,366          |
| Advance income tax and tax deducted at source                       |                    |
| (Net of provision of Rs. 63,820,675/-)                              | 27,555,978         |
|   | <b>319,427,052</b> |



*Schedules forming part of the consolidated balance sheet as at 31st March, 2010*

(Amount in Indian Rupees)

| Particulars | As at<br>31.03.2010 |
|-------------|---------------------|
|-------------|---------------------|

**Schedule – 10**

**Other current assets**

|  |                   |
|--|-------------------|
| Interest accrued on bonds / securities         | 7,951,951         |
| Interest accrued on fixed deposits but not due | 4,008,362         |
|  | <b>11,960,313</b> |

**Schedule – 11**

**Current Liabilities and provisions**

**Current liabilities**

|  |             |
|--|-------------|
| Sundry creditors   |             |
| Due to creditors other than micro and small enterprises<br>(Refer to note 17 of schedule 18) | 19,257,732  |
| Book overdraft   | 11,950,116  |
| Due to clients   | 147,670,703 |

178,878,551

|  |           |
|--|-----------|
| Advances and margin money from customers | 2,955,274 |
|--|-----------|

|   |            |
|---|------------|
| Expenses payable<br>(includes Rs. 22,559,726/- as payable to employees) | 44,448,934 |
|---|------------|

|                            |           |
|----------------------------|-----------|
| Security deposits received | 3,744,515 |
|----------------------------|-----------|

|                |            |
|----------------|------------|
| Statutory dues | 17,584,185 |
|----------------|------------|

|                  |           |
|------------------|-----------|
| Unpaid dividend* | 2,250,865 |
|------------------|-----------|

249,862,324

**Provisions**

|                                   |            |
|-----------------------------------|------------|
| Provision for retirement benefits | 10,024,798 |
|-----------------------------------|------------|

|                          |        |
|--------------------------|--------|
| Provision for wealth tax | 46,337 |
|--------------------------|--------|

|  |   |
|--|---|
| Proposed dividend<br>(including corporate dividend tax amounting to Rs. 1,291,030/-) | – |
|--|---|

10,071,135

**259,933,459**

**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 |

*Schedules forming part of the consolidated profit and loss account for the year ended 31st March, 2010*

(Amount in Indian Rupees)

| Particulars | Year ended<br>31.03.2010 |
|-------------|--------------------------|
|-------------|--------------------------|

**Schedule – 12**

**Broking activities**

|   |                    |
|---|--------------------|
| Arranger fee  | 17,799,417         |
| Commission and brokerage from distribution operations         | 136,939,001        |
| Commission and brokerage from equity stock broking operations | 109,333,635        |
| Delayed payment charges                                       | 12,297,545         |
| Arbitrage income  | —                  |
| Brokerage on commodities broking operation                    | 10,566,128         |
| Brokerage on insurance and re-insurance                       | 10,425,669         |
|   | <b>297,361,395</b> |

**Schedule – 13**

**Trading in shares and securities**

**Net Income on trading of shares/securities**

**Trading of shares**

|                                     |                     |
|-------------------------------------|---------------------|
| Opening stock of shares             | 17,625,270          |
| Add: Cost of shares purchased       | 2,157,451,114       |
|                                     | 2,175,076,384       |
| Less: Closing stock of shares       | 197,490,874         |
| Cost of shares sold                 | 1,977,585,510       |
| Less: Sale of shares                | 2,089,402,701       |
|                                     | <b>111,817,191</b>  |
| <b>Profit/(Loss) on derivatives</b> | <b>(16,814,124)</b> |

**Trading of securities/bonds**

|   |                    |
|---|--------------------|
| Opening stock of securities                         | 253,905,386        |
| Add: Cost of securities purchased                   | 31,676,189,293     |
|   | 31,930,094,679     |
| Less: Closing stock of securities                   | 731,845,474        |
| Cost of securities sold                             | 31,198,249,205     |
| Less: Sale of securities                            | 31,503,926,759     |
|   | <b>305,677,554</b> |
| <b>Accrued interest on securities held as stock</b> | <b>2,402,241</b>   |
|   | <b>403,082,862</b> |

*Schedules forming part of the consolidated profit and loss account for the year ended 31st March, 2010*

(Amount in Indian Rupees)

| Particulars | Year ended<br>31.03.2010 |
|-------------|--------------------------|
|-------------|--------------------------|

**Schedule – 14**

**Other income**

Interest received

|   |            |
|---|------------|
| – On deposits with banks<br>(gross of tax deducted at source Rs. 1,246,946/-) | 11,709,180 |
| – On deposits with others<br>(gross of tax deducted at source Rs. 6,08,664/-) | 4,767,206  |

16,476,386

Dividend received from other investments

652,217

Mutual Fund Received

127,663

Advertisement income

493,210

Liabilities no longer required written back

490,861

Bad debts recovered

154,775

Profit on sale of fixed assets (net)

–

Profit on sale of Investments

5,014,448

Miscellaneous income

778,558

Excess provision for doubtful debtors written back

7,131,170

**31,319,288**

**Schedule – 15**

**Personnel expenses**

Salaries, bonus and other allowances

239,627,004

Contribution to provident and other funds

1,105,704

Provisions for employees benefits

1,822,337

Staff welfare

4,863,710

**247,418,755**

*Schedules forming part of the consolidated profit and loss account for the year ended 31st March, 2010*

(Amount in Indian Rupees)

| Particulars | Year ended<br>31.03.2010 |
|-------------|--------------------------|
|-------------|--------------------------|

**Schedule – 16**

**Administrative and other expenses**

|   |                    |
|---|--------------------|
| Travelling and conveyance                   | 9,416,534          |
| Communication                               | 18,595,650         |
| Rent  | 47,308,104         |
| Rates and taxes                             | 1,463,334          |
| Electricity                                 | 8,920,414          |
| Legal and professional charges              | 27,770,242         |
| Printing and stationery                     | 4,420,484          |
| Business promotion                          | 4,664,815          |
| Advertisement                               | 20,856,066         |
| Computer maintenance                        | 7,732,954          |
| Office maintenance                          | 4,775,245          |
| Vehicle repair and maintenance              | 1,329,709          |
| Charity and donations                       | 661,811            |
| Insurance                                   | 464,494            |
| Bad debts written off                       | 33,796,269         |
| Provision for doubtful debts                | 472,000            |
| Loss on error trades                        | 172,611            |
| Foreign exchange loss (net)                 | 85,397             |
| Fine and penalties                          | 9,432              |
| SEBI and stock exchange fee and charges     | 2,193,181          |
| Loss on sale of assets (net)                | 6,487,573          |
| Interest on late deposit of government dues | 1,024,042          |
| Other expenses                              | 2,679,261          |
|   | <b>205,299,622</b> |
| Less : Recovery of expenses                 | (6,456,989)        |
|   | <b>198,842,633</b> |

**Schedule – 17**

**Finance charges**

|  |                   |
|--|-------------------|
| Bank charges                           | 7,670,681         |
| Interest                               |                   |
| – on working capital loans from bank   | 15,806,200        |
| – on working capital loans from others | 34,493,406        |
| – on term loan                         | 926,728           |
|  | <b>58,897,015</b> |

**Schedule - 18 : Significant accounting policies and notes to the accounts****1. Principles of Consolidation**

- (i) The Consolidated Financial Statements relate to Almondz Capital & Management Services Limited hereinafter referred to as the "Company" and its subsidiaries together hereinafter referred to as the "Almondz Capital Group" comprising of the following :

| S. No.   | Name of the Subsidiary Company   | Country of Incorporation | % of voting power held as at 31 March 2010 |
|--|--|--------------------------|--|
| a)   | Moon Orchid Housing Private Limited<br>(incorporated on 01 December 2009)  | India                    | 100%*                                      |
|  | Meadow Real Estate Private Limited<br>(incorporated on 01 December 2009)   | India                    | 100%*                                      |
|  | Almondz Global Securities Limited<br>(incorporated on 29 July 1994)  | India                    | 49.97%**                                   |
|  | Almondz Finanz Limited<br>(a wholly owned subsidiary of Almondz Global Securities Limited)<br>(incorporated on 12 May 2006)              | India                    | 49.97%<br>(indirect holdings)              |
| b)   | Almondz Commodities Private Limited<br>(a 99% subsidiary of Almondz Global Securities Limited)<br>(incorporated on 17 August 2005)       | India                    | 49.97%<br>(indirect holdings)              |
| c)   | Almondz Retail Equity Limited<br>(a wholly owned subsidiary of Almondz Global Securities Limited)<br>(incorporated on 25 September 2008) | India                    | 49.97%<br>(indirect holdings)              |
| d)   | Almondz Insurance Brokers Private Limited<br>(a subsidiary of Almondz Global Securities Limited)<br>(incorporated on 27 March 2003)***   | India                    | 49.97%<br>(indirect holdings)              |
| e)   | Almondz Reinsurance Brokers Private Limited<br>(a wholly owned subsidiary of Almondz Insurance Brokers Private Limited)                  | India                    | 49.97%<br>(indirect holdings)              |
| * including shares of beneficial interest through other persons.   |  |                          |  |
| ** Almondz Capital & Management Services Ltd. (ACMS) held 49.97% of voting rights, Almondz insurance Brokers Pvt. Ltd. (AIBPL) held 0.13% voting rights and rest voting rights of 49.90% was with others in Almondz Global Securities Ltd. (AGSL) as on 31st March 2010. As per section 42(3) of the Companies Act 1956, AIBPL being subsidiary of AGSL did not have right to vote on those shares accordingly total voting rights in AGSL reduced by 0.13% resulting increase in the voting right of ACMS upto 50.03% and thus AGSL became a subsidiary of ACMS in terms of provisions of Section 4 of the Companies Act, 1956 and hence AGSL accounts has been consolidated with the accounts of ACMS as per the provisions of the law and accounting standards. |  |                          |  |
| *** 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.
  - 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 2010.

## **2. Significant accounting policies**

### **(i) Basis of preparation**

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956 and NBFC (Non-deposit accepting or holding) companies prudential norms (Reserve Bank) Directions, 2007, as adopted consistently by the Company. Almondz Capital & Management Services Limited and Almondz Finanz Limited are registered as NBFC with Reserve Bank of India.

### **(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)**

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company makes contributions to the insurer's gratuity trust. The gratuity trust invests the contribution in insurer managed scheme. The gratuity liability is determined by an independent actuary appointed by the Company. Actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. Actuarial gains and losses are recognized 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.
- (f) Hitherto the company was providing the depreciation on Written Down Value method. In order to bring the method of depreciation in line with the subsidiary company, the company changed the method of providing depreciation from Written Down Value (WDV) to Straight Line Method (SLM) effective inception. Consequently the accumulated depreciation has been re-computed and the excess amount of Rs. 3,78,749/- upto 31-03-2009 has been reversed to the credit of Profit & Loss account. Due to such change, the profit for the year, Reserve & Surplus and Net Block of Fixed Assets as at close of the financial year are more to that extent.

**(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 realisation 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 taken**

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 wholtime 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 option warrants :**

Almondz Global Securities Limited 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. Almondz Global Securities Limited 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, Almondz Global Securities Limited has made a fresh issue of 4,510,000 share warrants at a price of Rs. 57.26 per share warrant and has received an amount of Rs. 64,560,650 as advance against share warrants issued. Almondz Capital & Management Services Limited has made a fresh issue of 1,755,000 share warrants at a price of Rs. 10 per share warrant and has received an amount of Rs. 4,387,500 as advance against share warrants issued. 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.

**4. Contingent Liabilities**

|   |   | Amount (Rs.)           |
|---|---|------------------------|
|   | Particulars   | As at<br>31 March 2010 |
| 1 | Suit filed by clients on Almondz Global Securities Limited for recovery on account of unauthorised trades on stock exchanges / deficiency in services. These matters are pending before various dispute resolution authorities. | 135,845                |
| 2 | Suits filed by previous employees on Almondz Global Securities Limited for recovery of their dues from Company. These matters are pending before various courts.  | 296,544                |
| 3 | Show cause notice for service tax demand on Almondz Global Securities Limited in relation to the financial year ended 31 March 2006 and 31 March 2007   | 3,221,550              |
| 4 | Corporate Guarantee issued by the company in favour of Axis Bank Limited for various bank limits granted to Almondz Global Securities Limited, a subsidiary of the Almondz Capital & Management Services Limited                | 305,000,000            |
| 5 | Corporate guarantee issued by Almondz Global Securities Limited in favour of Dena Bank, IL & FS Financial Services Limited & Aditya Birla Finance Limited for bank limits granted to Almondz Finanz Limited.                    | 500,000,000            |
| 6 | Income-tax demand raised by assessing officer in case of Almondz Global Securities Limited respect of financial year ended 31 March 2006.   | 5,379,709              |
| 7 | Income Tax demand raised by assessing officer in case of Almondz Global Securities Limited in respect of financial year ended 31 March 2007.  | 2,723,937              |

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



## 6. The detail of prior period items are as follows :

| Amount (Rs.)  |                        |
|---|------------------------|
| Particulars   | As at<br>31 March 2010 |
| <b>Expenses</b>   |                        |
| Brokerage and commission  | 20,869                 |
| Legal and professional charges  | 808                    |
| Professional charges  | 550,500                |
| Communication expenses  | 361,283                |
| Rent and property related costs (including straight lining of operating leases) | 206,187                |
| Others  | 120,547                |
| <b>Prior period expenses</b>  | <b>1,260,194</b>       |
| <b>Income</b>   |                        |
| Others  | 78,055                 |
| <b>Prior period income</b>  | <b>78,055</b>          |
| <b>Prior period expenses (Net)</b>  | <b>1,182,139</b>       |

## 7. Disclosures required under AS-15-Employee Benefits

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

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

| Particulars                         | Gratuity (Rs.)              |
|-------------------------------------|-----------------------------|
|                                     | Year ended<br>31 March 2010 |
| Opening defined benefit obligation* | 11,154,840                  |
| Interest cost                       | 882,177                     |
| Current service cost                | 4,066,327                   |
| Actual return on plan assets        | 591,362                     |
| Benefits paid                       | (446)                       |
| Actuarial (gain)/loss on obligation | (2,998,776)                 |
| Closing defined benefit obligation  | 13,104,111                  |

\* Opening defined benefit obligation includes Rs.1430328 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<br>31 March 2010 |
| Opening fair value of plan assets | 7,461,909                   |
| Expected return                   | 596,953                     |
| Contributions by employer         | 2,317,838                   |
| Benefits paid                     | (446)                       |
| Actuarial gain / (losses)         | 461                         |
| Closing fair value of plan assets | 10,376,704                  |

**iii) Profit and Loss Account :**

| Particulars                    | Gratuity (Rs.)              |
|--------------------------------|-----------------------------|
|                                | Year ended<br>31 March 2010 |
| Current service cost           | 4,066,327                   |
| Interest cost                  | 882,177                     |
| Expected return on plan assets | (596,953)                   |
| Actuarial (gain) / loss        | (2,999,237)                 |
| Net benefit expense            | 1,352,314                   |
| Actual return on plan assets   | 597,414                     |

**iv) Balance sheet :**

| Particulars                | Gratuity (Rs.)              |
|----------------------------|-----------------------------|
|                            | Year ended<br>31 March 2010 |
| Defined benefit obligation | 13,104,111                  |
| Fair value of plan assets  | 10,376,704                  |
| Plan (Liability) / Asset   | (2,727,407)                 |

**v) Principal Actuarial Assumptions are as follows :**

| Particulars                            | Amount (Rs.)                            |   |
|--|---|---|
|  | Gratuity<br>Year ended<br>31 March 2010 | Leave Encashment<br>Year ended<br>31 March 2010 |
| Mortality table (LIC)                  | (1994-96)                               | (1994-96)                                       |
| Discount rate                          | 8.50%                                   | 8.50%   |
| Expected rate of return on plan assets | 8.50%                                   | 0.00%   |
| Rate of escalation in salary per annum | 7.50%                                   | 7.50%   |
| Employee turnover up to 30 years       | 1%*                                     | 1%**  |
| Above 30 years but up to 44 years      | 1%*                                     | 1%**  |
| Above 44 years                         | 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%           |

\*\* The employee turnover assumptions relates to Almondz Capital & Management Services Limited.

**8. Managerial Remuneration****Amount (Rs.)**

| <b>Particulars</b>                           | <b>31 March 2010</b> |
|--|----------------------|
| Whole time directors and managing director : |                      |
| Salary and other allowances                  | 17,709,700           |
| Expenditure on rent free accommodation       | 3,600,000            |
| Value of Perquisites                         | 993,521              |
| <b>Total</b>                                 | <b>22,303,221</b>    |

**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 Whole-time Directors and Two Managing Directors (Almondz Capital & Management Services Ltd. and Almondz Global Securities Limited) of the Company.
- Directors sitting fees paid during the year Rs. 365,000/-
- The remuneration paid by Almondz Global Securities Limited to its executive directors during the year ended 31 March 2008 exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 64.22 lakhs. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. Almondz Global Securities Limited has made an application to the Central Government for waiver of recovery of remuneration paid in excess of limits specified in section 309 for the year ended 31 March 2008, the final outcome of the matter cannot presently be determined ;
- Almondz Global Securities Limited has received Central Government approval for excess remuneration paid to executive directors of the Company for the year ended 31 March 2009 during the current year. Resultantly the amount held in trust as at 31 March 2009 has been expensed off in the head salary and other allowances above.

**9. Details of income and expenditure in foreign currency :****Income earned in foreign Currency****Amount (Rs.)**

| <b>S. No.</b> | <b>Particulars</b> | <b>Year ended 31 March 2010</b> |
|---------------|--------------------|---------------------------------|
| 1             | Brokerage          | 14,636,556                      |
|               | <b>Total</b>       | <b>14,636,556</b>               |

**Expenditure incurred in foreign Currency****Amount (Rs.)**

| <b>S. No.</b> | <b>Particulars</b>           | <b>Year ended 31 March 2010</b> |
|---------------|------------------------------|---------------------------------|
| 1             | Travelling Expenses          | 268,204                         |
| 2             | Membership & Subscription    | 47,129                          |
| 3             | Books & Periodicals Expenses | 5,285                           |
| 4             | Bank charges                 | 62,515                          |
| 5             | E reinsured expenses         | 120,122                         |
| 6             | Conference expenses          | 33,506                          |
|               | <b>Total</b>                 | <b>536,761</b>                  |

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

| <b>Number of</b>    |                      | <b>Amount remitted for the previous</b> |
|---------------------|----------------------|---|
| <b>Shareholders</b> | <b>Equity shares</b> | <b>year ended 31 March 2009*</b>        |
| <b>1</b>            | <b>3,091,500</b>     | <b>927,450</b>                          |

\* 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 2010 |                          |
|---|---------------------|--------------------------|
|   | Deferred Tax Assets | Deferred Tax Liabilities |
| Fixed Assets  | (712,921)           | 11,924,366               |
| Provision for doubtful debts  | (982,316)           | —                        |
| Provision for diminution in investments                             | (4,448,766)         | —                        |
| Stamp duty under protest  | (1,910,715)         | —                        |
| Provision for retirement benefits                                   | (3,366,602)         | 21,045                   |
| Others  | (3,472,945)         | —                        |
| Miscellaneous expenditure to the extent not written off or adjusted | (335,320)           | —                        |
| Unabsorbed Depreciation   | (1,193,577)         | —                        |
| Unabsorbed Capital Loss   | (7,758,726)         | —                        |
| <b>Total</b>  | <b>(24,181,889)</b> | <b>11,945,411</b>        |
| <b>Net deferred tax liability</b>                                   |                     | <b>(12,236,478)</b>      |

Since net results is amounting to Deferred Tax Assets in Almondz Capital & Management Services Limited & its wholly owned subsidiaries i.e Moon Orchid Housing Private Limited and Meadow Real Estate Private Limited, the same has not been recognized in these accounts as per conservative accounting policies of the company.

**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.

|  | Year ended 31 March 2010      |                               |
|--|-------------------------------|-------------------------------|
|  | Including extraordinary items | Excluding extraordinary items |
| Net Profit After Tax available for equity shareholders (A)   | 66,844,246                    | 66,844,246                    |
| Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation. (B)     | 10,015,900                    | 10,015,900                    |
| Weighted average number of equity shares for Basic EPS (C)   | 10,015,900                    | 10,015,900                    |
| Add: Weighted average number of potential equity shares that could arise on conversion of option warrants having dilution effect | 1,480,932                     | 1,480,932                     |
| Weighted average number of equity shares for Diluted EPS (Face value of Rs.6 each) (D)   | 11,496,832                    | 11,496,832                    |
| <b>Basic EPS (A/C)</b>   | <b>6.67</b>                   | <b>6.67</b>                   |
| <b>Diluted EPS (A/D)</b>   | <b>5.81</b>                   | <b>5.81</b>                   |

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

**Amount (Rs.)**

| S. No. | Particulars                    | Year ended 31 March 2010 |
|--------|--------------------------------|--------------------------|
|        | <b>Statutory Auditors</b>      |                          |
| 1      | Audit fee                      | 955,000                  |
| 2      | Taxation fee <sup>#</sup>      | —                        |
| 3      | Limited review                 | 900,000                  |
| 4      | Certification fee <sup>#</sup> | 170,003                  |
| 5      | Out of pocket expenses         | 137,841                  |
|        | <b>Total</b>                   | <b>2,162,844</b>         |

<sup>#</sup> Taxation fee of Rs. 32,500 and Certification fee of Rs. 163,003 of current year was paid to previous auditors.

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

Almondz Insurance Brokers Private Limited (till 22 January 2010)

Almondz Re-insurance Brokers Private Limited  
(Subsidiary of M/s Almondz Insurance Brokers Private Limited)

Latitude 23 Communication Private Limited

**(ii) Enterprises over which Key Managerial Personnel are able to exercise significant influences.**

Innovative Money Matters Private Limited

Shivaz Spas & Hospitality Private Limited

Rinku Sobti Fashions Private Limited

**(iii) Key Managerial Personnel :**

Mr. Ramesh Peer

Mr. Vinay Mehta

Mr. Navjeet Singh Sobti

Mr. Jagdeep Singh

Mr. Rohit Jain

Mr. Salil Ranjan Das

**(iv) Relative of Key Managerial Personnel**

Mrs. Bulbul Dhir Mehta

Mrs. Gurpreet N.S. Sobti

Mrs. Parmeet Kaur

Mrs. Anu Jain

Mrs. Veena Jain

Navjeet Singh Sobti (HUF)

Jagdeep Singh (HUF)

R.C. Jain & Sons (HUF)

Rohit Jain (HUF)

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

| S.No.     | Particulars   | Amount<br>31-03-2010 |
|-----------|---|----------------------|
| <b>1)</b> | <b>Transactions During the Year</b>   |                      |
| (A)       | <b>Income</b>   | <b>2,130,503</b>     |
| a         | <b>Interest received</b>  | <b>751,480</b>       |
|           | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | <b>751,480</b>       |
|           | Shivaz Spas & Hospitality Private Limited   | 751,480              |
| b         | <b>Dividend Received</b>  | <b>109,500</b>       |
|           | <b>Associates</b>   | <b>109,500</b>       |
|           | Almondz Insurance Brokers Private Limited   | 109,500              |
| c         | <b>Recovery of reimbursable expenses</b>  | <b>1,205,273</b>     |
|           | <b>Associates</b>   | <b>1,205,273</b>     |
|           | Almondz Insurance Brokers Private Limited   | 1,205,273            |
| d         | <b>Brokerage received</b>   | <b>52,594</b>        |
|           | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | <b>6,200</b>         |
|           | Innovative Money Matters Private Limited  | 6,200                |
|           | <b>Key Managerial Personnel</b>   | <b>33,305</b>        |
|           | Jagdeep Singh   | 24,973               |
|           | Vinay Mehta   | 7,332                |
|           | Navjeet Singh Sobti   | 1,000                |

| <b>S.No.</b> | <b>Particulars</b>  | <b>Amount<br/>31-03-2010</b> |
|--------------|---|------------------------------|
|              | <b>Relatives of Key Managerial Personnel</b>  | <b>13,089</b>                |
|              | Jagdeep Singh (HUF)   | 1,475                        |
|              | Parmeet Kaur  | 9,432                        |
|              | Others  | 2,182                        |
| e            | <b>Delay payment charges received on broking activities</b>                                       | <b>9,781</b>                 |
|              | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | <b>7,940</b>                 |
|              | Innovative Money Matters Private Limited  | 7,940                        |
|              | <b>Key Managerial Personnel</b>   | <b>1,146</b>                 |
|              | Jagdeep Singh   | 1,146                        |
|              | <b>Relatives of Key Managerial Personnel</b>  | <b>695</b>                   |
|              | Parmeet Kaur  | 683                          |
|              | Others  | 12                           |
| f            | <b>Depository charges received on broking activities</b>  | <b>1,875</b>                 |
|              | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | <b>1,103</b>                 |
|              | Innovative Money Matters Private Limited  | 1,103                        |
|              | <b>Key Managerial Personnel</b>   | <b>337</b>                   |
|              | Jagdeep Singh   | 233                          |
|              | Vinay Mehta   | 104                          |
|              | <b>Relatives of Key Managerial Personnel</b>  | <b>435</b>                   |
|              | Parmeet Kaur  | 295                          |
|              | Bulbuldhir Mehta  | 50                           |
|              | Jagdeep Singh (HUF)   | 64                           |
|              | Others  | 26                           |
| (B)          | <b>Expenditure</b>  | <b>60,726,387</b>            |
| a            | <b>Managerial Remuneration</b>  | <b>29,759,439</b>            |
|              | <b>Key Managerial Personnel</b>   | <b>29,759,439</b>            |
|              | Navjeet Singh Sobti   | 9,724,909                    |
|              | Ramesh Peer   | 812,500                      |
|              | Jagdeep Singh   | 4,408,362                    |
|              | Vinay Mehta   | 7,357,450                    |
|              | Salil Ranjan Das  | 3,791,918                    |
|              | Others  | 3,664,300                    |
| b            | <b>Rent Expenses</b>  | <b>3,600,000</b>             |
|              | <b>Relatives of Key Managerial Personnel</b>  | <b>3,600,000</b>             |
|              | Gurpreet N S Sobti  | 3,600,000                    |

| S.No. | Particulars   | Amount<br>31-03-2010 |
|-------|---|----------------------|
| c     | <b>Dividend Paid</b>  | <b>368,934</b>       |
|       | <b>Associates</b>   | <b>10,000</b>        |
|       | Almondz Insurance Brokers Private Limited   | 10,000               |
|       | <b>Key Managerial Personnel</b>   | <b>137,645</b>       |
|       | Navjeet Singh Sobti   | 15,835               |
|       | Jagdeep Singh   | 86,185               |
|       | Rohit Jain  | 35,625               |
|       | <b>Relatives of Key Managerial Personnel</b>  | <b>221,289</b>       |
|       | Gurpreet N S Sobti  | 15,000               |
|       | R C Jain & Sons (HUF)   | 22,500               |
|       | Rohit Jain (HUF)  | 30,000               |
|       | Veena Jain  | 56,750               |
|       | Anu Jain  | 37,500               |
|       | Others  | 59,539               |
| d     | <b>Bad Debts</b>  | <b>26,998,014</b>    |
|       | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>                 | <b>26,998,014</b>    |
|       | Shivaz Spas & Hospitality Private Limited   | 26,998,014           |
| (C)   | <b>Assets / Liabilities</b>   |                      |
| a     | <b>Investments made during the year</b>   | <b>2,227,056</b>     |
|       | <b>Investment of Almondz Insurance Brokers Pvt. Ltd. purchased from following related parties during the year</b> |                      |
|       | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>                 | <b>2,078,584</b>     |
|       | Innovative Money Matters Private Limited  | 2,078,584            |
|       | <b>Key Managerial Personnel</b>   | <b>148,472</b>       |
|       | Navjeet Singh Sobti   | 74,236               |
|       | Jagdeep Singh   | 74,236               |
| b     | <b>Loans and Advances</b>   | <b>12,571,691</b>    |
|       | <b>Loan paid / adjustments during the year</b>  |                      |
|       | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>                 | <b>12,571,691</b>    |
|       | Shivaz Spas & Hospitality Private Limited   | 12,571,691           |
|       | <b>Loan Receipts / adjustments during the year</b>  |                      |
|       | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>                 | <b>26,998,014</b>    |
|       | Shivaz Spas & Hospitality Private Limited   | 26,998,014           |

| <b>S.No.</b> | <b>Particulars</b>  | <b>Amount<br/>31-03-2010</b> |
|--------------|---|------------------------------|
| c            | <b>Advance against Option Warrant</b>   | <b>64,560,650</b>            |
|              | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | <b>64,560,650</b>            |
|              | Innovative Money Matters Private Limited  | 64,560,650                   |
| 2)           | <b>Closing balance as at March 31, 2010</b>   |                              |
| a            | <b>Debtors / Receivables</b>  | <b>1,757</b>                 |
|              | <b>Relatives of Key Managerial Personnel</b>  | <b>1,757</b>                 |
|              | Parmeet Kaur  | 652                          |
|              | Others  | 1,105                        |
| b            | <b>Investments</b>  | <b>200,000</b>               |
|              | <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | <b>200,000</b>               |
|              | Shivaz Spas & Hospitality Private Limited   | 200,000                      |
| c            | <b>Creditors / Payables</b>   | <b>420,172</b>               |
|              | <b>Key Managerial Personnel</b>   | <b>403,784</b>               |
|              | Jagdeep Singh   | 403,784                      |
|              | <b>Relatives of Key Managerial Personnel</b>  | <b>16,388</b>                |
|              | Jagdeep Singh (HUF)   | 13,104                       |
|              | Bulbul Dhir Mehta   | 2,784                        |
|              | Others  | 500                          |
| d            | <b>Employee stock options granted during the year (in numbers)</b>                                | <b>250,000</b>               |
|              | <b>Key Managerial Personnel</b>   | <b>250,000</b>               |
|              | Jagdeep Singh   | 250,000                      |
| e            | <b>Employee stock options outstanding (in numbers)</b>  | <b>1,750,000</b>             |
|              | <b>Key Managerial Personnel</b>   | <b>1,750,000</b>             |
|              | Vinay Mehta   | 1,000,000                    |
|              | Jagdeep Singh   | 750,000                      |



**15. Segment Reporting :**

| For the year ended 31 March 2010   |                                 |                                  |                         |                          |                             |                             |              | Amount (Rs.)  |
|--|---------------------------------|----------------------------------|-------------------------|--------------------------|-----------------------------|-----------------------------|--------------|---------------|
| Particulars  | Debt & equity market operations | Corporate finance & advisory fee | Distribution operations | Equity broking operation | Commodity broking operation | Insurance broking operation | Unallocable  | Total         |
| <b>Segment Revenue</b>   |                                 |                                  |                         |                          |                             |                             |              |               |
| Segment Revenue  | 396,104,908                     | 193,948,238                      | 137,432,211             | 129,256,050              | 10,566,128                  | 10,477,044                  | —            | 877,784,579   |
| <b>Segment Results</b>   |                                 |                                  |                         |                          |                             |                             |              |               |
| Segment Results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income) | 231,112,956                     | 97,555,913                       | 18,244,709              | (92,100,632)             | (1,052,883)                 | (1,630,413)                 | (33,687,055) | 218,442,596   |
| Add : Interest Income  | 3,789,726                       | —                                | 2,459,424               | 266,297                  | 1,100,335                   | 454,055                     | 1,100,551    | 9,170,388     |
| Less : Interest Expenses   | 2,583,633                       | —                                | —                       | 2,889,202                | 98,176                      | 30,519                      | 2,993,377    | 8,594,907     |
| Less : Prior period expenses (net of income)   | 6,477                           | 578,476                          | 12,470                  | 423,706                  | 97,804                      | (61,365)                    | 124,571      | 1,182,139     |
| Profit before Tax  | 232,312,572                     | 96,977,437                       | 20,691,663              | (95,147,243)             | (148,528)                   | (1,145,512)                 | (35,704,452) | 217,835,938   |
| Less : Provision for Tax for the Year  | —                               | —                                | —                       | —                        | —                           | —                           | 57,267,611   | 57,267,611    |
| Less : Prior Period Tax  | —                               | —                                | —                       | —                        | —                           | —                           | 3,059,742    | 3,059,742     |
| Net Profit after tax   | 232,312,572                     | 96,977,437                       | 20,691,663              | (95,147,243)             | (148,528)                   | (1,145,512)                 | (96,031,805) | 157,508,584   |
| <b>Other Information</b>   |                                 |                                  |                         |                          |                             |                             |              |               |
| Segmental Assets   | 1,009,430,148                   | 32,005,663                       | 79,530,805              | 386,420,997              | 42,241,376                  | 60,116,216                  | 291,253,973  | 1,900,999,178 |
| Segmental Liabilities  | 383,130,155                     | 2,350,128                        | 33,317,888              | 149,874,442              | 36,060,762                  | 37,854,796                  | 724,988,208  | 1,367,576,379 |
| Capital expenditure  | —                               | —                                | —                       | 8,716,462                | 440,051                     | 335,050                     | 7,367,678    | 16,859,241    |
| Depreciation   | —                               | —                                | —                       | 9,724,324                | 214,312                     | 125,675                     | 8,977,069    | 19,041,380    |
| Non cash expenditure other than depreciation (net of non-cash income)  | 26,998,014                      | 5,485,858                        | 132,500                 | 110,694                  | 55,780                      | 2,820,279                   | 2,991,131    | 38,594,256    |

**Notes :**

- (I) **Business Segments :** The Almondz Capital Group'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 & Equity Market operations** comprises of profit on trading activities, dividend received on shares, interest on fixed deposits, profit on sale of investment and interest on loan.
  - **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** comprise of Stock and Share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
  - **Commodities broking operations** comprise broking operations related to trading of commodities in MCX and NCDEX and other related ancillary services.
- (II) **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 :

| Particulars                                       | Year ended<br>31 March 2010 |
|---|-----------------------------|
| Lease payments for the year                       | 47,948,736                  |
| Minimum Lease payments due-                       |                             |
| Not later than one year                           | 39,820,464                  |
| Later than one year but not later than five years | 109,927,846                 |
| Later than five years                             | 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 2010.

As per our report of even date

For and on behalf of Board of Directors

**For H. V. & Associates**

Chartered Accountants

**H.K. Chhabra**

Partner  
(FCA – Membership No. 089616)  
New Delhi  
May 29, 2010

**Ajay Pratap**

Company Secretary

**G. P. Agrawal**

Director

**Ramesh Peer**

Managing Director

**ALMONDZ CAPITAL CONSOLIDATED FINANCIAL STATEMENTS**

**Almondz Capital & Management Services Ltd. (Consolidated financial statements)**  
**Financial year ended 31 March 2010**

**Details of Subsidiary Companies pursuant to approval obtained u/s 212(8) of the Companies Act, 1956**

(Currency : Indian rupees in lacs)

| Name of the Subsidiary Company   | Moon<br>Orchid<br>Housing<br>Private<br>Limited | Meadow<br>Real<br>Estate<br>Private<br>Limited | Almondz<br>Global<br>Securities<br>Limited | Almondz<br>Commodities<br>Private<br>Limited | Almondz<br>Finanz<br>Limited | Almondz<br>Retail<br>Equity<br>Private<br>Limited | Almondz<br>Insurance<br>Brokers<br>Private<br>Limited | Almondz<br>Re-Insurance<br>Brokers<br>Private<br>Limited |
|--|---|--|--|--|------------------------------|---|---|--|
| Total issued Equity Share Capital of the Subsidiary Company            | 5.00  | 5.00   | 1,519.31                                   | 150.00                                       | 500.00                       | 5.00  | 180.00  | 200.00   |
| Reserves of the Subsidiary   | —   | —  | 8,574.33                                   | —  | 0.83                         | —   | 241.63  | 47.73  |
| Total Assets of the Subsidiary   | 27.25   | 27.25  | 15,260.31                                  | 510.24                                       | 3,824.34                     | 5.12  | 579.78  | 286.50   |
| Total Liabilities of the Subsidiary                                    | 22.25   | 22.25  | 5,166.67                                   | 360.24                                       | 3,323.51                     | 0.12  | 158.15  | 38.77  |
| Investments (other than in subsidiary companies)                       | —   | —  | 5.51                                       | —  | —                            | —   | 35.46   | 125.46   |
| Total Turnover   | —   | —  | 7,932.45                                   | 119.94                                       | 163.80                       | 0.22  | 99.08   | 11.22  |
| Profit / (Loss) before taxation  | (0.43)  | (0.43)   | 1,693.03                                   | (12.16)                                      | (41.03)                      | 0.14  | 2.54  | (16.51)  |
| Provision for taxation (including Deferred Tax and Fringe Benefit tax) | —   | —  | 615.46                                     | 1.22   | (0.63)                       | 0.02  | 1.63  | (0.74)   |
| Profit / (Loss) after taxation   | (0.43)  | (0.43)   | 1,077.57                                   | (13.38)                                      | (40.40)                      | 0.12  | 0.91  | (15.77)  |
| Proposed dividend  | —   | —  | 106.35                                     | —  | —                            | —   | —   | —  |

For and on behalf of the Board of Directors

New Delhi  
29th May, 2010

**Ajay Pratap**  
Company Secretary

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director



## PROXY FORM

### ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED

Regd. Office : 4A, 3rd Floor, 3 Scindia House, Janpath, New Delhi - 110 001

Regd. Folio No.....

I/We.....  
of.....in the district of.....  
being a member/members of the above named company, hereby appoint.....  
of.....in the district of.....  
or failing him/her.....  
of.....in the district of.....  
as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Tuesday the 28th day of September, 2010, at 4.30 P. M. and at any adjournment thereof.

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

No. of Shares held.....Ref. No. / L.F. No.....Client I.D.No.....D.P. I.D.No.....

Signature(s).....

Address.....

Affix a  
Revenue  
Stamp of  
Re. 1/-

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office at 4A, 3rd Floor, 3 Scindia House, Janpath, New Delhi - 110 001 not less than 48 hours before the meeting.

.....(Tear Here).....



### ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED

Regd. Office : 4A, 3rd Floor, 3 Scindia House, Janpath, New Delhi - 110 001

## ATTENDANCE SLIP

Regd. Folio No.....

Name of the Shareholder/s / Proxy Mr. / Mrs. / Ms. ....  
(In Block Letters)

I Certify that I am the Registered Shareholder/Proxy for the Registered Shareholder/s of the Company.

I hereby record my presence at the 18th Annual General Meeting of the Company being held on Tuesday the 28th day of September, 2010, at 4.30 P. M. at P. H. D. Chamber of Commerce & Industry, P. H. D. House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016

Client I. D.No. ....

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

Signature of the Shareholder/Proxy

#### Notes :

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