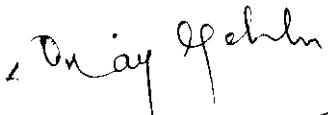
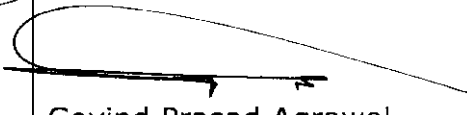




FORM A

1.	Name of the Company	Almondz Global Securities Ltd.
2.	Annual Financial Statements for the year ended	31 st March 2013
3.	Type of Audit observation	Matter of Emphasis (Note no. 2.31 to the Financial statements)
4.	Frequency of observation	It appeared 2 nd time, since year ended 31 st March 2012
5.	<p>Signed by</p> <p> Vinay Mehta Managing Director</p> <p> Govind Prasad Agrawal CFO</p> <p> Parul Gupta Partner AVk & Associates Statutory Auditors</p> <p> Surendar Kumar Sood Chairman Audit Committee</p>	

Corporate Information

Board of Directors

Atul Kumar Shukla
 Navjeet Singh Sobti
 Vinay Mehta
 Jagdeep Singh
 Krishan Lall Khetarpaul
 Surendar Kumar Sood
 Sanjay Kumar Tiwari
 Abdul Redha Mustafa Abdul Redha Sultan

- Non-Executive & Independent Chairman
- Executive Vice Chairman
- Managing Director
- Wholetime Director
- Non-Executive & Independent Director
- Non-Executive & Independent Director
- Non-Executive & Independent Director
- Non-Executive & Independent Director

Auditors

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

Company Secretary & Compliance Officer

Ajay Pratap

Bankers

Standard Chartered Bank
 HDFC Bank Ltd.
 Axis Bank Ltd.
 Punjab National Bank
 Kotak Mahindra Bank Ltd.
 State Bank Of India
 Syndicate Bank
 Vijaya Bank
 Dena Bank
 ICICI Bank Ltd.
 Citi Bank

Registered Office

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

Registrar & Share Transfer Agent

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

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Notice

TO THE SHAREHOLDERS,

NOTICE is hereby given that the 19th Annual General Meeting of the Members of ALMONDZ GLOBAL SECURITIES LIMITED will be held on Monday, the 23rd day of September 2013, at 12.00 Noon at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054, 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 31 March 2013 and the Statement of Profit and Loss of the Company for the year ended on that date, together with Directors' Report and Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted."
2. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Atul Kumar Shukla, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
3. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Surendar Kumar Sood, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
4. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :
"RESOLVED THAT the retiring Auditors M/s. AVK & Associates, Chartered Accountants, (New Delhi), Registration No. 002638N, be and are hereby, re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with the Audit Committee thereof."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Section 16, 17 and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), and subject to approval of the members of the Company and other necessary approval(s) if any, from the competent authorities, the Main object clause of the Memorandum of Association of the Company be altered by adding the following new clauses thereof :
1. To provide professional advice and consultancy services in the nature of management, engineering, industrial, technical, project studies etc. to or with any person,

firm, body corporate, any department or body of any State or Central Government of India or any other country or any authority (supreme, municipal, local or otherwise) whether singly or in the form of Joint Venture / Consortium / Association / Sub-Consultant in various fields including but not limited to general administrative, manpower sourcing, HR Consulting, development of HR related products, training and organizational restructure designing, secretarial, commercial, financial, personnel, legal, economic, labour, industrial, public relations, scientific, technical, engineering, taxation and other laws, quality control, market research, market survey, mass communications etc. for all Infrastructure sectors including but not limited to PPP Projects, infrastructure vision exercises, Infrastructure mapping, project identification, project definition and configuration, assessment of pre-feasibility of Infrastructure projects, detailed feasibility and preparation of detailed project reports, Bid Process Management services, drafting and negotiation of all agreements related to the procurement and operations and maintenance of Infrastructure projects, advising on financial structuring of projects and providing Transaction Advisory Services, Project Development Consultancy Services, Project Management Consultancy Services, Lenders Independent Engineers Services, Independent Engineers / Independent Consultant Services, Design Construction Supervision Services, Operation & Maintenance Services, Techno Economic Viability Study Services and other allied services falling under the various categories of Infrastructure Sector and to render all activities that are required to be carried out as and / or by developers, builders, colonizers, contractors, sub-contractors, financing, developing, implementing, constructing, operating, expanding, modernizing, maintaining, managing and investing in any type of land, buildings, townships, towns or cities, farm-houses, commercial complexes, banqueting facilities, restaurants, hotels, motels, serviced & other apartments, cinema, shopping malls, market complexes, retail outlets of any type, entertainment complexes, theme leisure & entertainment parks, tourism and eco-tourism projects, convention centers, exhibition centers, auditorium, sports complexes, golf courses, bus stands and bus terminals and any other such social and / or urban infrastructure projects and to do all necessary things and deeds in connection with the development in any form including erection, construction, demolition, re-building, alteration, conversion, renovation, improvement, decoration, architecture etc.

RESOLVED FURTHER THAT Mr. Vinay Mehta, Managing Director, Mr. Jagdeep Singh, Wholetime Director and Mr. Ajay Pratap, Company Secretary of the Company, be and are hereby severally / jointly authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the Resolution."

NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No. 5, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 2 & 3 above, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.
3. The Register of Members and Transfer Books of the Company will be closed from Friday, 12 September 2013 to Monday, 23 September 2013, both days inclusive.
4. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent namely Beetal Financial & Computer Services Pvt. Ltd. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
5. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
6. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.
7. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Company is in the process of notifying the Closure of Register of Members and Share Transfer Register from 12 September 2013 to 23 September 2013 (both days inclusive) pursuant to Section 154 of the Companies Act, 1956.
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Members are hereby informed that pursuant to Section 205A(5) of the Companies Act, 1956 ("The Act"), the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the

date of such transfer to the Unpaid Dividend Account, to the credit of Investors Education and Protection Fund (IEPF) established by the Central Government under Sub-section (1) of Section 205C of the Act. No claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years and transferred to the Fund, as aforesaid.

11. Those Members who have not so far encashed their Dividend Warrants for the Accounting Year ended 31st March, 2006 or any subsequent years, may immediately approach the Company / Share Transfer Agent for issuance of Demand Drafts in lieu thereof.
 12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 13. The Company is registered with the following depositories for dematerialization of its Equity Shares :
 - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.
 - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400001.
 The Registration No. granted by NSDL & CDSL is ISIN INE-326B01027.
 14. As per the provisions of Section 109A of the Companies Act, 1956, facility for making nominations is available to the Members, in respect of Equity Shares, held by them. Requests for nomination facility should be made in the prescribed form (Form 2B) a copy of which can be obtained on request from the Registered Office of the Company.
 15. Members desiring any information / clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
 16. Re-appointment / Appointment of Directors: At the ensuing Annual General Meeting, Mr. Atul Kumar Shukla and Mr. Surendar Kumar Sood, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. In the ensuing Annual General Meeting.
- The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreements, are furnished in the Statement on Corporate Governance in this Annual Report.

By Order of the Board of Directors

New Delhi
August 13, 2013

AJAY PRATAP
Company Secretary

Explanatory Statement

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

Item No. 5

The present business of the company comprises consultancy in the financial areas. To avail other opportunities available in the market, it is proposed to add some more consultancy related activities like engineering, industrial, project studies etc., in the Object Clause of the Memorandum of Association of the Company.

The present clauses of the Memorandum of Association of the Company are not covering the areas, which are mentioned above. Hence, it is proposed to amend suitably the existing main Object Clause of the Memorandum of Association of the Company, as fully detailed in the resolution. The amendment shall be

effective upon the registration of the resolution with the Registrar of Companies.

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

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

By Order of the Board of Directors

New Delhi
August 13, 2013

AJAY PRATAP
Company Secretary

LAST SEVEN YEARS AT A GLANCE

Rs. In Lacs*

Sl. No.	Particulars / Financial Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Gross Revenue	4505.81	8869.65	6986.53	7932.45	7846.78	6078.84	4860.73
2	EBITDA	917.63	1905.33	1462.82	2045.43	1629.48	235.05	543.38
3	PBT	904.16	1458.01	1013.86	1693.03	925.07	(393.39)	1.63
4	PAT	559.17	994.30	600.40	1077.57	656.25	(368.74)	1.63
5	Paid-up Equity Capital	959.77	1519.31	1519.31	1519.31	1529.10	1553.09	1553.09
6	Net Worth	2573.41	8462.17	9055.11	10093.64	10710.00	11091.50	11093.14
7	Current Assets	5280.19	12232.92	8917.62	13336.30	10059.31	7512.90	6553.70
8	Current Liabilities	425.93	1047.04	1479.91	2030.30	2481.49	2164.36	1445.64
9	Provisions	183.47	120.02	160.43	193.37	239.57	55.80	46.35
10	Total Assets	6201.19	12969.77	9451.17	13036.64	13952.04	15509.50	14631.29
11	Current Ratio	11.24:1	11.68:1	6.03:1	6.57:1	4.05:1	3.47:1	4.53 :1
12	Total Assets Turnover	0.73	0.68	0.74	0.61	0.56	0.39	0.33
13	Fixed Assets Turnover	7.53	5.74	4.21	6.91	1.80	1.48	1.23
14	EPS	3.50	4.32	2.37	4.22	2.57	(1.41)	0.01

* Figures may vary on account of reclassification

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

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Directors' Report

To the Members of Almondz Global Securities Limited,
The Board of Directors submits the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2013.

1. Financial Results

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

(Rs. in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
Gross Income	4860.73	6078.84
Profit before Interest, Depreciation & Tax	543.38	235.05
Less : Interest	309.35	318.18
Less : Depreciation	232.40	309.13
Less : Provision for Tax	—	(24.65)
Net Profit after Tax	1.63	(368.74)

2. Dividend

Based on your Company's performance, your Directors do not recommend dividend for the financial year ended 31 March 2013.

3. Standalone & Consolidated Financials

For the year ended March 31, 2013, your Company earned a total income of Rs. 4860.73 Lacs, as against previous year's total income of Rs. 6078.84 Lacs. As per the Consolidated Accounts, the total income is Rs. 10614.34 Lacs, as against the previous year's income of Rs. 10869.98 Lacs. The Company has incurred a profit of Rs. 1.63 Lacs in the current year as compared to a loss of Rs. 368.74 Lacs in the previous year. As per the Consolidated Accounts, the net profit for the year is Rs. 568.63 Lacs as compared to Rs. 21.67 Lacs in 2011-12.

4. Human Resources

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

As on 31 March 2013, your Company has a diverse employee base with 370 employees all over India. This heterogeneous base is central to sustaining the Company's competitive edge.

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

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

5. Consolidated Financial Results

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

6. Cash Flow Statement

In conformity with the provisions of Clause 32 of the Listing Agreements with the Stock Exchanges, the Cash Flow Statement for the year ended 31 March 2013 is annexed hereto.

7. Corporate Governance

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

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

8. Corporate Governance Report and Management Discussion and Analysis Statement

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

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

9. Policy on Insider Trading

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

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

10. Directors' Responsibility Statement

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

- i. in the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed and there are no material departures;
- ii. they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and of the profit of the Company for the said financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the Annual Accounts on a going concern basis.

11. Subsidiary Companies

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

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

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

However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated

Financial Statements presented by the Company include the financial statements of its Subsidiaries. The Financial Statements of the subsidiary companies are also available for inspection by the shareholders at the Registered Office of the Company and that of its respective subsidiaries.

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

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

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

The Statement pursuant to Section 212 of the Companies Act, 1956, containing the details of the Subsidiary Companies as on 31 March 2013 is enclosed.

13. Fixed Deposits

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

14. Directors

Mr. Atul Kumar Shukla and Mr. Surendar Kumar Sood, Directors, retire by rotation at the ensuing 19th Annual General Meeting.

Mr. Sita Ram Bansal non executive and independent director had ceased to be Director of the Company due to his sudden demise on 8 November 2012.

15. Employees Stock Option Plan

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

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

During the year under Report, no options have been granted by the Company and 293300 options lapsed.

Further, during the year under Report, pursuant to the Scheme and the terms of the grants made, an aggregate of 423333 options got vested in the optionholders as per the applicable vesting schedule of the respective grant.

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

None of the management employees has received options exceeding 5% of the number of the options issued during the year ended 31 March 2013. Likewise, no employee has been issued stock options, during the period under Report, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

16. Issuance of Equity Shares

During the year under Report, the Company has not issued any equity shares.

17. Listing of Equity Shares

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

18. Ratings for Term Funding

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

19. Auditors & Auditors' Report

The Statutory Auditors, M/s AVK & Associates, Chartered Accountants (Firm Registration No. 002638N), of your Company are due for retirement at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of Listing Agreement. Your Directors recommend their re-appointment for the ensuing year, i.e. FY 2013-14.

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

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

20. Particulars of Employees

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

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

The particulars as prescribed under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in relation to Conservation of Energy and Technology Absorption are not applicable to your Company during 2012-13.

22. Foreign Exchange Earnings & Outgo

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

Earnings : Nil

Outgo : Rs. 20,000/-

23. Acknowledgements

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

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

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

For and on behalf of the Board of Directors

ATUL KUMAR SHUKLA
Chairman

New Delhi
August 13, 2013

Annexure 'A' to Directors' Report

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

Name of the Employee	Remuneration received (Rs. in Lacs)	Nature of Employment (Permanent/ Contractual)	Other Terms & Conditions	Nature of Duties of the Employee/ Designation	Qualification & Experience of the Employee	Date of Commence-ment of Employment	Age of the Employee	Last Employment held by such Employee before join ing the Company
Navjeet Singh Sobti	75.44	Permanent	Appointed for a period of 5 Years	Executive Vice Chairman	B. Com., FCA	19 May 2011	46	N.A.
Vinay Mehta	72.55	Permanent	Appointed for a period of 5 Years	Managing Director	MA, MBA	19 May 2011	59	Centurion Bank of Punjab Ltd.

Annexure 'B' to Directors' Report

Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Nature of Disclosure		For the Year ended 2013	For the Year ended 2012
a)	Options granted during the year	Nil	ESOS 2007 : 550000 options
b)	Pricing Formula	No Options granted during the year. However, the exercise price of Sixth Tranche (granted on June 11, 2011) was determined as Rs. 27.45 (Rupees Twenty Seven and Forty Five paise Only) which was the closing price of the equity shares of the Company at Bombay Stock Exchange Ltd., having higher trading volume in the equity shares of the Company on the trading date immediately preceding the date of meeting of Compensation Committee in which 5,50,000 options were granted.	<u>Sixth Tranche (granted on June 11, 2011)</u> The exercise price was determined as Rs. 27.45 (Rupees Twenty Seven and Forty Five paise Only) which was the closing price of the equity shares of the Company at Bombay Stock Exchange Ltd., having higher trading volume in the equity shares of the Company on the trading date immediately preceding the date of meeting of Compensation Committee in which 5,50,000 options were granted.
c)	Options vested during the year	423333	333496
d)	Options exercised during the year	Nil	400000
e)	The total number of shares arising as a result of exercise of options during the year	Nil	400000
f)	Options lapsed during the year	293300	302500
g)	Variation of Terms of Options	Nil	The exercise price for all the outstanding options of Tranches First to Fifth were revised to Rs. 26.65 by the Compensation Committee in its meeting held on 7 July, 2011
h)	Money realized by exercise of options (Including Tax)	Nil	Rs. 1,06,60,000/-
i)	Total number of options in force (at the end of the year)	3001000	ESOS 2007 : 3294300 options

Nature of Disclosure		For the Year ended 2013	For the Year ended 2012
j)	Employee-wise details of options granted		
	i) Senior Managerial Personnel	Nil	Arvind Konar - 100000 Sankha Dasgupta - 50000 Ronojit Ukil - 15000
	ii) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year	Nil	Nil
	iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil
k)	Diluted Earnings per Share	Rs. 1.64	Rs. (1.41)
l)	Difference between the employee compensation cost, computed using the intrinsic value of the stock options, and the employee compensation cost that shall have been recognized, if the fair value of the options was used	N.A.	Rs. 65,11,047/-
	The impact of this difference on profits and on EPS of the Company	N.A.	Loss after deduction of the difference between employee compensation costs as computed hereinabove Rs. 4,33,85,423/-
m)	i. Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock	N.A.	Sixth Tranche : Rs. 27.45 and Rs. 14.56
	ii. Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock	N.A.	Nil
	iii. Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock	N.A.	Nil
	n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	N.A.	Black Scholes Option Pricing Method
			Sixth Tranche
	(i) risk-free interest rate (%)	N.A.	7.99 - 8.24%
	(ii) expected life (No. of years)	N.A.	3.5 - 5.5
	(iii) expected volatility (%)	N.A.	53.4%
	(iv) dividend yield (%)	N.A.	0.00%
	(v) the price of the underlying share in the market at the time of option grant	N.A.	27.50

Management Discussion and Analysis Report

FORWARD LOOKING STATEMENTS

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

(A) INDUSTRY STRUCTURE & DEVELOPMENT

The Indian economy grew strongly for a few years after the Global Financial Crisis in 2007-08. However, fiscal 2012-13 has not been one of its best years with deceleration in GDP growth rates, widening fiscal and current account deficits and currency volatility. The Real GDP Growth rate slowed down to 5.0% for fiscal 2012-13. However, during second half of FY13, there was some stability in macro environment, largely as a result of a series of steps undertaken by the government such as liberalizing of FDI regime in certain sectors, rationalization of retail fuel prices and reining in of fiscal spending; although a lot more remains to be done. While the situation appeared to be improving, some recent developments on political front have once again raised concerns about Government's ability to carry forward the reform process.

Current Account Deficit (CAD) in FY13 is the highest ever at around 5% of GDP as gold and oil imports rose sharply, while exports declined on weak external demand. High CAD increases macro vulnerability, as the country has to rely on fickle foreign flows to fund the CAD. However, recent fall in oil and gold prices and restrictions on gold imports should contain CAD. Moreover, improving global economy has also resulted in exports gaining traction. So overall CAD may have seen its worst and is expected to improve in FY14. The external economy has been weak throughout FY13 and this is reflected in poor performance of India's exports. However, financial risks in global economy have subsided substantially with interventions by major central banks, particularly ECB. In late 2012, ECB provided a much-needed lifeline to European troubled sovereigns by announcing Asset Purchase Programme. Meanwhile, economic data particularly from the US, suggests an improving trend including better US housing and labour markets, which have been at the heart of global problems since 2008. Both these developments augur well for global economy. The key challenges like infrastructure development, spread of financial intermediation and financial inclusion, improvement in governance and productivity enhancement need to be met head on. As business confidence is restored with measures in the right direction, investment spending should be back on track.

Industry overview

FY13 bought some respite to investors, after a dismal FY12. The year started on a worrying note, owing to announcement of retrospective taxing of FII's. However, a change of guard at Finance Ministry turned things around, with Government announcing a series of reforms like FDI in retail, diesel price hike etc. Within Capital Markets however, fresh capital raising activity continued to suffer the most with capex investment cycle grinding to a near halt. Going forward, FY14 looks like a year of improving macros, but politics could be an overhang on the markets with national elections barely a year away and corporate business confidence being low.

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

(B) OPPORTUNITIES & THREATS

As a financial services intermediary, the company's growth and profitability are, to a large part, dependent on the stable growth and functioning of the Capital markets. The growth of financial services sector will allow the Company to grow businesses in each of the verticals. However, stubborn inflation, high fiscal and Current Account Deficit, slow pace of reforms, and continued Eurozone crisis has led to the sliding of Indian GDP growth to around 5%. Renewed political uncertainty at the centre currently is continuing to cast its shadow on the return of growth. Given this none-too-rosy scenario for FY14, the goal for this year for the Company will be to improve operating efficiency.

(C) SEGMENT-WISE PERFORMANCE

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

Rs. in Lacs)

Segment		Year ended 31 March 2013	Year ended 31 March 2012
Debt & Equity Market Operations	Net Revenue	8.33	416.21
	Expenses	102.37	191.93
	Profit before Tax	(110.70)	224.20
Corporate Finance / Advisory Fees	Net Revenue	1987.09	2192.84
	Expenses	1471.65	1486.44
	Profit before Tax	515.44	706.40
Distribution Operations	Net Revenue	1240.32	1927.36
	Expenses	1022.20	1815.70
	Profit before Tax	218.11	111.66
Equity Broking	Net Revenue	718.65	1117.20
	Expenses	714.67	1499.46
	Profit before Tax	3.97	(382.26)

Debt & Equity Market Operations

Our Debt Market operations comprise dealing/trading in securities, bonds, etc. During FY 2012-13, The Government's commitment to rein in fiscal deficit and associated reforms in H2FY13 were welcomed by debt markets. These steps have ushered a regime of much needed fiscal discipline and averted the spectre of a sovereign rating downgrade. This together with reduction in repo rates resulted in a sharp uptick in appetite for debt market instruments in second half of the year compared to a cautious first half. The efforts of Government and regulatory bodies continue to be directed at deepening bond markets, especially the Corporate Debt segment, where volumes are yet to pick up.

Corporate Finance

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

Further, SEBI has passed two ad interim ex-parte orders on 28 December 2011, (which were confirmed vide interim orders dated September 11, 2012 and September 21, 2012) which relate to the role of your Company as Merchant Bankers in the IPO's of Bharatiya Global Infomedia Limited & PG Electroplast Limited. SEBI vide this order has prohibited your Company from taking new assignment or involvement in any new issue of capital including IPO, follow-on issue etc. from the securities market in any manner whatsoever, from the date of this order till further directions.

Consequently, all activities requiring a merchant banking license have been suspended, impacting our performance in related service lines.

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

Distribution

Distribution activities comprise broking and commission of / from mutual funds, equity IPOs, capital gain bonds, fixed deposits of government undertakings, RBI taxable bonds, PMS, etc. During FY-2012-13 the Company had earned income of Rs. 1240.32 Lacs as compared to Rs. 1927 Lacs in the previous. Performance is expected to improve as investor sentiments improve.

Equity Broking

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

(D) OUTLOOK

Macroeconomic environment including inflation above the threshold of RBI and value of Rupees, limited scope to further reduce interest rates, liquidity issues, high fiscal and Current Account Deficit, political uncertainty that refuses to go away and Eurozone developments can derail the return of growth. While monsoon is predicted to be normal this

year, it remains an indeterminate factor. With the Indian growth declining in the past year or two, corporates are not feeling confident of their expansion plans with the result that investment activity is at one of its lowest. Lack of determined action from Government to jump-start investment cycle and carry on the reforms may continue to affect the financial services sector. The outlook for the coming year is somewhat mixed with Investors foreseeing significant headwinds for the economy in the coming months. The steady depreciation of the rupee is another yet more serious worry. The situation calls for strategies to reduce cost and improve business to the extent possible.

(E) RISKS & CONCERNS

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organisation's success. Globalization, with increasing integration of markets, newer and more complex products & transactions and an increasingly stringent regulatory framework has exposed organisations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management.

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

We manage the following categories of risks:

◆ **Market Conditions and Market Risk** – The domestic and global economic conditions and markets will always be a major factor in the business of financial intermediation and adverse change in conditions invariably leaves a larger than normal impact. However, beyond the universality of this risk, the Company's business is exposed to Market Risk only to the extent of its investments in its proprietary debt portfolio. This Market Risk is contained to appropriate levels through well defined and Board laid down policies and is monitored on a daily basis.

◆ Financial Risks:

- **Liquidity Risks** – The Company requires funds for its operations, growth and expansion projects. It has sufficient committed lines of credit from various banks in India to fund the operations as well as expansion projects. The Company has a strong continued focus and review mechanism for cash flow management and control on borrowings from the banks. This ensures that while liquidity is maintained for the Company, it does not borrow above generally accepted financial norms and is

able to meet the obligations to the banks without any default. For organic growth plans, the primary source is internal accruals of cash.

- **Interest Risk** – The Company is exposed to the interest rate risks on its borrowings. It evaluates the various sources of short term funding to have a lower blended rate of interest.
- ◆ **Credit Risk** – This risk manifests when debtors do not perform their obligations. Both Credit Risk and Counter-Party Risk have been elaborately defined in our Company's Investment Policy that governs all investment decisions, and its stipulations are strictly adhered.
- ◆ **Operational Risk** – The Company's operations under each of its business verticals are the subject of elaborate and well defined Policies so as to cover all internal processes. The Company also has a system of internal audit that encompasses all operational areas.
- ◆ **Legal & Regulatory Risk** – The Company is in the business of financial intermediation and is committed to adhere to very high compliance standards. This is imperative in any regulated business as the business' continuance is otherwise at risk. Substantial legal liability or a significant regulatory action against the Company could have material adverse financial effects or cause significant reputational harm.
- ◆ **Internal Controls Review** – The Company has strong internal controls and review mechanism. A detailed audit process and audit plan by external agencies cover the key risks identified through the risk management program, wherein existence and effectiveness of the control measures indicated against the risks are verified. The review of the process and findings is done by the senior management on a monthly basis and is an integral part of the performance management of the organisation.
- ◆ **Economic and Political Risks** – The Company is fairly exposed to the domestic and global political and economic risks. The risks arising out of any downturn in the economic conditions of the global markets, as felt in the last year, could have an adverse impact on the performance of the company. Performance and growth is also dependent upon the health of the overall Indian economy and political stability.
- ◆ **Competition Risks** – The Company operates in a highly competitive environment. The demand for the Company's services and solutions depend upon various domestic and global factors and most importantly the customer's plans and ability to incur expenditure/investment. In the existing market and with existing customers also, new competitors may come in and put pressure on volume and pricing of the Company's services and solutions. To mitigate the above risks, the Company continuously endeavour to maintain a very good relationship with the customers/clients and endeavour to keep introducing enhanced features in services to improve value proposition to its customer / clients.
- ◆ **Human Resource Risks** – The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is, therefore, a key

element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on the Company's business, its future financial performance and the price of its equity shares.

(F) ADEQUACY OF INTERNAL CONTROLS

The Company has invested in building a system of internal controls to achieve operational efficiency, optimum resource utilization, effective monitoring, and adherence to strict compliance standards. The Company has in place a well defined organization structure with separate business and support lines. Each line has a separate revenue, cost and contribution budget which is monitored periodically.

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

(G) OPERATIONAL PERFORMANCE

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

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

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

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

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

Our services revolve around three key tenets :

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

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

corporates, and high net-worth individuals. We provide financial planning, research-based investment consulting services and execution capabilities.

FINANCIAL PERFORMANCE

For the year ended March 31, 2013, your Company earned a total income of Rs. 4860.73 Lacs, as against previous year's total income of Rs. 6078.84 Lacs. As per the Consolidated Accounts, the total income is Rs. 10614.34 Lacs, as against the previous year's income of Rs. 10869.98 Lacs. The Company has incurred a profit of Rs. 1.63 Lacs in the current year as compared to a profit of Rs. 368.74 Lacs in the previous year. As per the Consolidated Accounts, the net profit for the year is Rs. 568.63 Lacs as compared to Rs. 21.67 Lacs in 2011-12.

(H) HUMAN RESOURCES DEVELOPMENT

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

The Company's team strength spread across all business and support lines stood at 370 on 31 March 2013. The Company has a young and vibrant team of qualified professionals.

(I) CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

(J) CORPORATE SOCIAL RESPONSIBILITY

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

(K) INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

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

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

(L) STATUTORY DISCLOSURES

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

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

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

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

Corporate Governance Report

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

The Corporate Governance Report for the year 2012-13 which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges contains details relating to the aforesaid year.

I. Company's Philosophy on Corporate Governance

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

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

II. Board of Directors

- i) During the year under Report, the Company had 9 (Nine) Directors with a Non-Executive Chairman. Of the Nine Directors, Six are Non-Executive Directors (including Five Independent Directors) and Three are Executive Directors. On 8 November 2012, a non-executive and

Independent Director Mr. Sita Ram Bansal ceased to be Director of the Company on account of his sudden demise. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors to the Company.
- iii) The names and categories of the Directors on the Board, their age, their attendance at Board Meetings held during the year and the number of Directorships in other companies and Committee Chairmanships/ Memberships held by them are given herein below :

(A) Composition of Board

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

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

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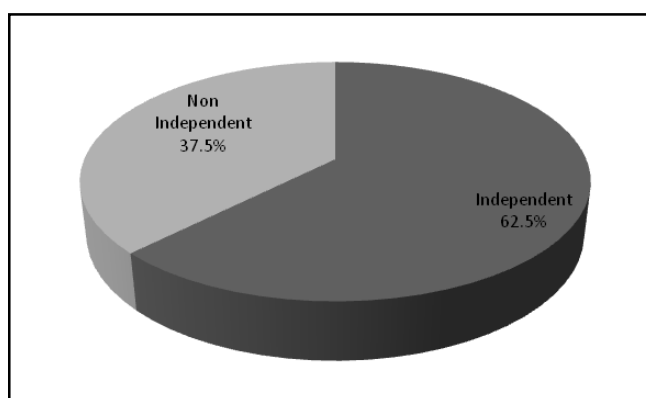
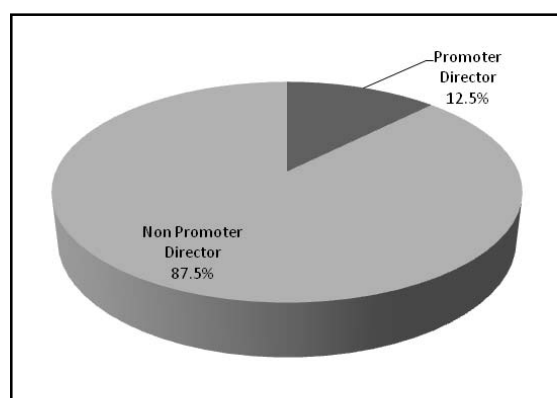
The following Table gives the composition and other information of our Board pursuant to the annual / initial disclosure made by the Board members including details of attendance on Board Meetings and on Last Annual General Meeting :

Sl. No	Name	Category / Designation	Attendance Particulars			Age (in Years)	No. of Directorship/s in other Companies [^]	No. of Membership/s Chairmanship/s in Board Committees (including those of the Company)*	
			No. of Board Meetings		Last AGM			Member	Chairman
			Held	Attended	Attended				
1	Atul Kumar Shukla	Chairman / Independent Director	5	5	No	67	6	2	2
2	Navjeet Singh Sobti	Exe. Vice Chairman / Promoter Director / Executive Director	5	5	Yes	46	7	Nil	Nil
3	Vinay Mehta	Managing Director / Executive Director	5	5	No	59	3	1	1
4	Jagdeep Singh	Executive Director	5	4	No	48	6	2	Nil
5	Krishan Lall Khetarpaul	Independent Director	5	3	No	70	2	1	Nil
6	Surendar Kumar Sood	Independent Director	5	4	No	65	Nil	Nil	2
7	Sita Ram Bansal**	Independent Director	5	3	No	N.A.	Nil	Nil	Nil
8	Abdul Redha Mustafa Abdul Redha Sultan	Independent Director	5	2	No	44	Nil	Nil	Nil
9	Sanjay Kumar Tiwari	Independent Director	5	5	No	49	Nil	Nil	Nil

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

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

** Mr. Sita Ram Bansal Ceased to be Director of the Company on 08.11.2012 due to his sudden death.



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

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

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

Profile of Board :

Atul Kumar Shukla (M.Sc.), Non-Executive & Independent Chairman, aged 67 years, is the Former Chairman of Life Insurance Corporation of India and has experience of around 43 years. He had held positions of Chairman/Non-Executive Chairman/Member/Director of many companies, some of them being LIC Housing Finance Ltd., LIC (International) B.S.C. (C) Bahrain, National Stock Exchange of India Ltd., National Commodities & Derivatives Exchange Limited, General Insurance Corporation of India, IL & FS Limited, Gujarat State Financial Corporation, Larsen & Toubro Ltd., Mittal Corp Ltd., India Infoline Trustee Co. Ltd., Gammon India Ltd., Dev Property Development Plc.

Navjeet Singh Sobti (FCA), Promoter and Executive Vice Chairman, aged 46 years, is one of the members of the initial team which promoted the Company and has steered the Company to its present position of strength of being one of the largest mobilizers of funds from the domestic market for all government organizations and the private sector. He currently heads the Almondz team and his main areas of specialization include investment banking, corporate advisory services and infrastructure project financing.

Vinay Mehta (MBA), Managing Director, aged 59 years, is a seasoned Banker having around 36 years of vast experience in various banks of repute, viz. UCO Bank, Bank of Punjab Ltd. He, in his last appointment, had acted as the Group Head – Risk with Centurion Bank of Punjab Ltd.

Jagdeep Singh (FCA), Wholetime Director, aged 48 years, has more than 23 years of experience in the field of marketing/distribution of financial products, viz. mutual funds, equity IPOs, private placement of debt instruments, etc. and is one of the important constituents of the Almondz team since incorporation.

Krishan Lal Khetarpaul (M.A. Economic Statistics), Non-Executive & Independent Director, aged 70 years, is a seasoned banker having more than 39 years

of experience with the Reserve Bank of India. He joined the Reserve Bank of India in 1965 as a Probationary Officer and retired from the services in the year 2003 as its Executive Director. Thereafter, he worked as the Director and CEO of Punjab National Bank Institute of Information Technology.

Surendar Kumar Sood (Retd. IAS), Non-Executive & Independent Director, aged 65 years, is a 1971 batch Indian Administrative Services officer. During his stint as a distinguished Civil Servant, he has vast and varied experience in administration, industrial development & policy, foreign trade, finance management and mobilization, infrastructure development, legislation & social welfare, and management of commercial enterprises at both CEO & Board level. He held the offices of Deputy Commissioner of Kinnaur & Hamirpur districts in HP; Director Industries HP; Joint Chief Controller of Imports & Exports; in-charge of Eight Northern States from UP to J&K for export promotion, administering CCS & I&E licenses; Secretary to Govt. of HP; in-charge of PWD, IPH Health & Family Welfare, Science & Technology, Tourism, Transport, Urban Development; Principal Secretary, Finance & Planning, GOHP; Joint Secretary, Deptt. of Chemicals & Petrochemicals, GOI; Director General, DGS&D, GOI; Secretary, National Commission for Scheduled Castes; Secretary to the Governor, HP; Joint Secretary, Ministry of Commerce; and Managing Director of State PSUs. He formulated the First Tourism Policy of HP, pioneered installation of hand pumps in hills by using modern scientific advances like Satellite Imagery to locate & harness sub-terranean water channels in the hills as source of pure drinking water for masses. Mr. Sood served as Director of Indian Petrochemicals Corporation Ltd., Petrofil (Baroda), Hindustan Antibiotics Ltd., Indian Drug & Pharmaceuticals Ltd., Hindustan Chemicals Ltd., HP Financial Corporation Ltd., HP Mineral & Industrial Development Corporation, HP Tourism Development Corporation, HP State Road Transport Corporation, besides acted as the Managing Director of HP Handlooms & Handicrafts Corporation, and HP Infrastructure Development Board.

Sanjay Kumar Tiwari (CA), Non-Executive & Independent Director, aged 49 years, is a Chartered Accountant with accreditations from the Institute of Chartered Accountants of India and a graduate in Commerce. He has 26 years of experience in Industries ranging from Textile, Cement, Tyre & Engineering to FMCG. He has in-depth knowledge of Middle East, South East and South Asian Markets. His core expertise has been to monitor and manage the operations of varied industries from financial and commercial view point. He has also been instrumental in turning around loss making companies in countries i.e. Malaysia, Egypt, India and Middle East.

Abdul Redha Mustafa Abdul Redha Sultan, Non Executive & Independent Director aged about 44 years . He holds a degree in Finance from San Diego State University, USA). He has played an active role in developing the business environment for the private sector in the sultanate of Oman. He was selected as

a honored member of International Who's Who for the year 1999. He has also developed other institutions within the Sultanate. Some of the renowned ventures in which he actively participated include the Oman Chapter of Young Presidents Organizations Inc. (YPO) since 2003.

(B) Non-Executive Directors' Compensation and Disclosures

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

(C) Other Provisions as to Board and Committees

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

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

During the year 2012-2013, the board met five times on May 30, 2012; June 27, 2012, August 13 2012, November 10, 2012 and February 12 2013 and the gap between two meetings did not exceed four months.

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

(D) Board Procedure

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

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

All the key issues included in the agenda for consideration of the Board are backed by detailed background information to enable the Board to take informed decisions and the Managing Director ensures that all the Directors are properly briefed on the matters being discussed. Every Director is free to suggest

inclusion of items on the agenda with the permission of the Chair. Board Meetings are scheduled well in advance, dates of the Board meetings are usually informed to all directors and auditors and other concerned officer/s two to three weeks in advance and agenda papers are circulated about seven days prior to the meeting and only in exceptional cases, some of items / related documents are tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. Senior management personnel are called to provide additional information/inputs for the items being discussed by the Board of Directors, as and when necessary.

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

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

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

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

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

Board Support

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

(E) Code of Conduct

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

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

III. Audit Committee

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii) The terms of reference of the Audit Committee are broadly as under :
 1. Oversight of the Company's financial reporting process and the disclosure of its financial

information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Sub-section (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors, any significant findings and follow-up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- iii) The Audit Committee Meetings are held at the Registered Office of the Company and are usually

attended by the Managing Director, Chief Financial Officer, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Business Line Heads are invited to the meetings, whenever required. The Company Secretary acts as Secretary of the Audit Committee.

- iv) The previous Annual General Meeting of the Company was held on September 28, 2012, however, it could not be attended by Mr. Sita Ram Bansal, Chairman of the Audit Committee due to his serious illness.
- v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below :

(A) Qualified and Independent Audit Committee

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

Sl. No.	Name	Category	Experienced as / Served in the past as
1.	Surender Kumar Sood Chairman	Non-Executive & Independent Director	Retd. IAS having vast experience of Finance and Accounts
2.	Atul Kumar Shukla Member	Non-Executive & Independent Director	Chairman of Life Insurance Corporation of India
3.	Krishan Lall Khetarpaul Member	Non-Executive & Independent Director	Executive Director of Reserve Bank of India
4.	Sita Ram Bansal Ex Chairman *	Non-Executive & Independent Director	Consultant in the fields of Corporate Laws matters, Finance & Audit, Capital Market and other legal matters.

* Mr Sita Ram Bansal Ceased to be Chairman w.e.f. 8 November 2012 on account of his sudden death.

The Audit Committee of your Company comprises of all Non-Executive & Independent Directors and all of them are financially literate in accordance with Explanation-1 under Sub-clause II(A) of the Corporate Governance norms (Clause 49 of the Listing Agreement). Further, Mr. Surender Kumar Sood, Director of the Company, is having accounting and related financial management expertise in consonance with Explanation 2 under Sub-clause II(A) of Corporate Governance norms, being a retired Government Servant, who has been on various roles during his service tennure.

Mr. Surender Kumar Sood, the Non-Executive and Independent Director, is holding the Chairmanship of the Audit Committee of the Company.

The Managing Director and the CFO of the Company are permanent invitees to the meetings of the Committee.

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

(B) Meeting of Audit Committee

During the Financial Year under Report, the Audit Committee meetings were held on 30 May 2012, 27 June 2012, 13 August 2012, 10 November 2012, and 12 February 2013.

For the approval of the Annual Accounts of the Company for FY'12-13, the meeting of the Audit Committee was held on 27 May 2013.

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

Name / Composition	Category	Meetings Attended / Held
Sita Ram Bansal (Ex. Chairman) *	Non-Executive & Independent	3/5
Atul Kumar Shukla (Member)	Non-Executive & Independent	5/5
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent	3/5
Surendar Kumar Sood (Chairman)**	Non-Executive & Independent	1/5

* Mr. Sita Ram Bansal Ceased to be Chairman on account of his sudden death w.e.f. 8 November 2012.

** Mr. Surendar Kumar Sood has been elected as Chairman of the Audit Committee w.e.f. 10 November 2012.

The necessary quorum was present at all the meetings.

(C) Review of information by Audit Committee

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

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

IV. Remuneration Committee

- i) The Company has a Remuneration Committee of Directors
- ii) The broad terms of reference of the Remuneration Committee are as under :
 - a) To approve the remuneration and commission/ incentive remuneration payable to the Executive Directors, whenever required;
 - b) To approve the remuneration and Annual Performance Bonus payable to the Executive Directors for each financial year;

- c) Such other matters as the Board may, from time to time, request the Remuneration Committee to examine and recommend / approve.

- iii) No meeting of the Remuneration Committee was held during the year.
- iv) The composition of the Remuneration Committee during the year under report is given below :

Name / Composition	Category
Sita Ram Bansal (Ex. Chairman) *	Non-Executive & Independent
Atul Kumar Shukla (Member)	Non-Executive & Independent
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent
Surendar Kumar Sood (Chairman) **	Non-Executive & Independent

* Mr. Sita Ram Bansal Ceased to be Chairman on account of his sudden death w.e.f. 8 November 2012.

** Mr. Surendar Kumar Sood has been elected as Chairman of the Remuneration Committee w.e.f. 10 November 2012

- v) The Chairman of the Remuneration Committee, Mr. Sita Ram Bansal, was not present at the last Annual General Meeting of the Company held on 28 September 2012 due to his serious illness.
- vi) Remuneration Policy :

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

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

The Remuneration Committee decides on the commission / incentive payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Managing Director and each Executive Director.

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

vii) Details of Remuneration (including stock options granted) for the year ended March 31, 2013 :

a) Non-Executive Directors :

Name	Sitting Fees (Rs. Lacs)
Atul Kumar Shukla	0.75
Sita Ram Bansal *	0.55
Krishan Lall Khetarpaul	0.45
Surendar Kumar Sood	0.50
Abdul Redha Mustafa Abdul Redha Sultan	0.30
Sanjay Kumar Tiwari	0.70

* Ceased to be member w.e.f. 8 November 2012

b) Managing Director and Wholetime Directors :

Name & Designation	Salary, Perquisites, & other allowances (in Rs.)	Appointment till
Navjeet Singh Sobti, Executive Vice Chairman	7544524/-	18 May 2016
Vinay Mehta, Managing Director	7255464/-	18 May 2016
Jagdeep Singh, Wholetime Director	4841675/-	30 November 2014

viii) Details of Shares of the Company held by the Directors as on March 31, 2013 (based on disclosure made to the Company) are as below :

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

* Ceased to be Director w.e.f. 8 November 2012

V. Share Transfers & Shareholders Grievance Committee

- The Company has a Share Transfers & Shareholders' Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend / notices / annual reports, etc.
- Four meetings of the Committee were held during the year on 20 April 2012, 27 July 2012, 17 October 2012 and 29 January 2013.
- The composition of the Committee and the details of meetings attended by its members during the year under Report are given below :

Name / Composition	Category	Meetings Attended / Held
Sita Ram Bansal (Chairman) *	Non-Executive & Independent Director	2/4
Jagdeep Singh (Member)	Wholetime Director	4/4
Vinay Mehta (Member)	Managing Director	4/4
Surendar Kumar Sood, Chairman**	Non-Executive & Independent Director	1/4

* Ceased to be Director w.e.f. 8 November 2012

** Elected as Chairman w.e.f. 10. November 2012

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

- vii) Details of complaints received and redressed during the year under Report :

Opening Balance	Received	Resolved	Closing Balance
Nil	20	19	1

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

VI. Other Committees

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

i) Management Committee

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

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher. During the year under review, twenty one meetings of the Committee were held on 7 May 2012, 21 May 2012, 29 June 2012, 1 August 2012, 25 August 2012, 13 September 2012, 26 September 2012, 8 October 2012, 13 October 2012, 31 October 2012, 7 November 2012, 8 December 2012, 27 December 2012, 3 January 2013, 18 January 2013, 30 January 2013, 6 February 2013, 25 February 2013, 4 March 2013, 12 March 2013 and 26 March 2013 and the composition of the Committee and attendance of the Committee members at these meetings was as under :

Name / Composition	Category / Designation	No. of Meetings Attended / Held
Vinay Mehta, Chairman	Managing Director	21/21
Jagdeep Singh, Member	Wholetime Director	21/21
Navjeet Singh Sobti, Member	Executive Vice Chairman	Nil

ii) Capital Expenditure Committee

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

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

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

iii) Committee for Further Issue of Shares

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

The powers of the Committee are :

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

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

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

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

iv) Compensation Committee

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

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

- To frame various Plan Series under the Scheme from time to time;
- To determine the number of Options to be granted per employee and in aggregate and the times at which such Grants shall be made;
- To lay down the conditions under which Options Vested in Optionees may lapse in case of termination of employment for misconduct etc.

- d. To lay down the conditions under which Options Vested in Optionees may lapse in case of voluntary surrender of options by Optionees.
 - e. To determine the Exercise Period within which the Optionee should Exercise the Options and that Options would lapse on failure to Exercise the same within the Exercise Period.
 - f. To specify the time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
 - g. To lay down, in compliance with the SEBI Guidelines, the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of rights issues, bonus issues, merger, sale of division and other Corporate Action.
 - h. To provide for the right of an Optionee to Exercise all the options vested in him at one time or at various points of time within the Exercise Period.
 - i. To lay down the method for satisfaction of any tax obligation arising in connection with the Options or the Shares.
 - j. To lay down the procedure for cashless Exercise of Options, if any.
 - k. To provide for the Options, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded to any other company or who have joined any other Subsidiary or other company at the instance of the Company.
 - l. Framing of suitable policies and systems to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 by any employee of the Company.
 - m. To formulate the detailed terms and conditions of the Scheme including terms in relation to the matters enumerated hereinbefore;
 - n. Administration and superintendence of the Scheme.
- The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher.

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

Name / Composition	Category / Designation
Atul Kumar Shukla, Chairman	Non-Executive & Independent
Krishan Lall Khetarpaul, Member	Non-Executive & Independent
Sita Ram Bansal, Member *	Non-Executive & Independent
Navjeet Singh Sobti, Member	Executive Vice Chairman
Vinay Mehta, Member	Managing Director

* Mr. Sita Ram Bansal Ceased to be member on account of his sudden death w.e.f. 8 November 2012

v) **Underwriting Committee**

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

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

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

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

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

vi) **Limited Review Committee**

Pursuant to Circular No. SEBI/ CFD/DIL/LA/3/2007/ 10/07 dated July 10, 2007 of the Securities and Exchange Board of India amending Clause 41 of

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the Listing Agreement, the Board of Directors constituted a Committee under the name and style "Limited Review Committee".

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

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

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

Name / Composition	Category / Designation
Surender Kumar Sood, Chairman **	Non-Executive & Independent
Jagdeep Singh, Member	Wholetime Director
Vinay Mehta, Member	Managing Director
Sita Ram Bansal, Ex. Chairman *	Non-Executive & Independent

* Mr. Sita Ram Bansal Ceased to be Chairman on account of his sudden death w.e.f. 8 November 2012.

** Mr. Surender Kumar Sood Elected as Chairman w.e.f. 10 November 2012.

VII. Management Discussion & Analysis Report

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

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

VIII. Shareholders

Brief Particulars of Directors Appointed / Re-appointed

A brief resume of the Directors being appointed / re-appointed at the ensuing Annual General Meeting, the nature of their expertise in specific functional areas alongwith their other directorship / s and membership / chairmanship of the Committee / s (as on 31 March 2013) are hereunder :

Atul Kumar Shukla (M.Sc.), Non-Executive & Independent Chairman, aged 67 years, is the Former Chairman of Life Insurance Corporation of India and has experience of around 43 years. He had held positions of Chairman/Non-Executive Chairman/Member/Director of many companies, some of them being LIC Housing Finance Ltd., LIC (International) B.S.C. (C) Bahrain, National Stock Exchange of India Ltd., National Commodities & Derivatives Exchange Limited, General Insurance Corporation of India, IL & FS Limited, Gujarat State Financial Corporation, Larsen & Toubro Ltd., Mittal Corp Ltd., India Infoline Trustee Co. Ltd., Gammon India Ltd., Dev Property Development Plc.

Mr. Atul Kumar Shukla is holding directorship in five other companies namely Gammon India Ltd., India infoline Trustee Company Ltd., India Venture Advisors Pvt. Ltd., Saa Wellness Pvt. Ltd., Star Union Di-ichi Life Insurance Company Ltd.

Surender Kumar Sood (Retd. IAS), Non-Executive & Independent Director, aged 65 years, is a 1971 batch Indian Administrative Services officer. During his stint as a distinguished Civil Servant, he has vast and varied experience in administration, industrial development & policy, foreign trade, finance management and mobilization, infrastructure development, legislation & social welfare, and management of commercial enterprises at both CEO & Board level. He held the offices of Deputy Commissioner of Kinnaur & Hamirpur districts in HP; Director Industries HP; Joint Chief Controller of Imports & Exports; in-charge of Eight Northern States from UP to J&K for export promotion, administering CCS & I&E licenses; Secretary to Govt. of HP; in-charge of PWD, IPH Health & Family Welfare, Science & Technology, Tourism, Transport, Urban Development; Principal Secretary, Finance & Planning, GOHP; Joint Secretary, Deptt. of Chemicals & Petrochemicals, GOI; Director General, DGS&D, GOI; Secretary, National Commission for Scheduled Castes; Secretary to the Governor, HP; Joint Secretary, Ministry of Commerce and Managing Director of State PSUs. He formulated the First Tourism Policy of HP, pioneered installation of hand pumps in hills by using modern scientific advances like Satellite Imagery to locate & harness subterranean water channels in the hills as source of pure drinking water for masses. Mr. Sood served as Director of Indian Petrochemicals Corporation Ltd., Petrofil (Baroda), Hindustan Antibiotics Ltd., Indian Drug & Pharmaceuticals Ltd., Hindustan Chemicals Ltd., HP Financial Corporation Ltd., HP Mineral & Industrial Development Corporation, HP Tourism Development Corporation, HP State Road Transport Corporation, besides acted as the Managing Director of HP Handlooms & Handicrafts Corporation, and HP Infrastructure Development Board.

Mr. Surender Kumar Sood is not holding any directorship in any other company.

CEO / CFO Certification

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

IX. General Body Meetings

i) General Meetings

a) Annual General Meetings :

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
16th Annual General Meeting (2009-10)	28 Sep., 2010	3:30 P.M.	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area August Kranti Marg, New Delhi – 110016
17th Annual General Meeting (2010-11)	29 Sep., 2011	12:30 P.M.	MPCU Shah Auditorium, Shree Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi – 110054
18th Annual General Meeting (2011-12)	28 Sep., 2012	1:30 P.M.	MPCU Shah Auditorium, Shree Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi – 110054

b) Extraordinary General Meeting :

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

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

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

Annual General Meeting	Particulars of Special Resolution /s passed
18th Annual General Meeting	Nil
17th Annual General Meeting	(1) Authorisation to alter the Articles of Association of the Company to enable the Company to conduct meetings through electronic mode. (2) Authorisation to alter the Articles of Association of the Company to enable the Board of Directors and Committee thereof to conduct meeting through electronic mode.
16th Annual General Meeting	(1) Authorisation to the Company for making inter-corporate loans / deposits, making investments, giving guarantee, providing security, and acquiring various securities in group / other companies, to the extent of Rs. 300 Crores. (2) Authorisation to the Company to create, grant, offer, issue and allot stock option to identified employee aggregating equal to or more than 1% of issued capital of the Company

ii) Postal Ballot :

During the year under report, the Company sought shareholders approval through Postal Ballot process pursuant to Section 192A of the Companies Act, 1956 (hereinafter "the Act") read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 to the following business as set out in the notice dated 3 July 2012 :

1. Appointment of M/s AVK & Associates Chartered Accountants, New Delhi (Membership No. 002638N) as the Auditors of the Company to fill the casual vacancy arose on account of the resignation received from the existing Auditors M/s. B S R & Co., Chartered Accountants, Gurgaon (Haryana),

Sl No.	Particulars	Resolution No. 1 Special Resolution	
		No. of Postal Ballots	No. of Shares
A	Postal Ballot Forms received	18	13699263
B	Less : Invalid Postal Ballot Forms	1	185
C	Net Valid Postal Ballot Forms of which :	17	13699078
	(i) Total No. of shares with Assent for the resolution	16	13698978 (99.9993%)*
	(ii) Total No. of shares with Dissent for the resolution	1	100 (0.0007%)*

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

The aforesaid resolution was passed with the overwhelming requisite majority.

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

Procedure for Postal Ballot

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

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

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

X. Disclosures

A. Subsidiary Companies

- i) Almondz Insurance Brokers Pvt. Ltd., one of the Company's subsidiaries fall under the definition of material non-listed Indian subsidiary.
- ii) The Audit Committee of the Company reviews the financial statements and, in particular, the investments, if any, made by unlisted subsidiary companies of the Company.
- iii) The minutes of the Board meetings of unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

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

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

Transactions with related parties as per requirements of Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No. 2.33 of the Accounts in the Annual Report.

C. Disclosure of Accounting Treatment

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

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

SEBI has passed two ad interim ex-parte orders on 28 December 2011, (which were confirmed vide interim orders dated September 11, 2012 and September 21, 2012) which relate to the role of your Company as Merchant Bankers in the IPO's of Bharatiya Global Infomedia Limited & PG Electroplast Limited. SEBI vide this order has prohibited your Company from taking new assignment or involvement in any new issue of capital including IPO, follow-on issue etc. from the securities market in any manner whatsoever, from the date of this order till further directions.

The Company has replied to the above Orders and to the show cause notices and also attended the personal hearings from time to time. The final Orders in these matter is awaited from SEBI.

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

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

E. Non-mandatory requirements

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

- (a) The Company has a Remuneration Committee details of which have been given earlier in this Report.
- (b) The Chairman of the Remuneration Committee was present in the 18th Annual General Meeting held on 28 September 2012 to answer the shareholders' queries.

XI. Means of Communication

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

Further, your Company is already maintaining a functional website containing various disclosures/information about

the Company for the public at large including basic information as mandated under newly inserted Clause 54 of the Listing Agreement (introduced w.e.f. 01.04.2011), and regularly updating the information available thereon.

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

Quarter / Financial Year ended	Unaudited/ Audited	Name of the Newspaper (version)	Date of Publication
June 2012 (Qtrly.)	Unaudited	Financial Express (English) & Jansatta (Hindi)	14 August 2012
September 2012 (Qtrly.)	Unaudited	Financial Express (English) & Jansatta (Hindi)	12 November 2012
December 2012 (Qtrly.)	Unaudited	Financial Express (English) & Jansatta (Hindi)	13 February 2013
March 2013 (Annual)	Audited	Financial Express (English) & Jansatta (Hindi)	28 May 2013

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

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

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

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

XIII. General Shareholders’ information

i) Annual General Meeting :

Date : 23 September 2013
Time : 12.00 Noon
Venue : MPCU Shah Auditorium,
Shree Delhi Gujarati Samaj (Regd.),
2, Raj Niwas Marg, Civil Lines,
Delhi - 110054

ii) Financial Calendar :

Approval of Unaudited Quarterly Financial Results for the period ended :

- June 30, 2012 — August 13, 2012
- September 30, 2012 — November 10, 2012
- December 31, 2012 — February 12, 2013

Approval of Audited Financial Results for Financial Year ended :

- March 31, 2013 — May 27, 2013

iii) Book Closure Dates :

12 September 2013 – 23 September 2013
for the 19th Annual General Meeting.
(both days inclusive)

iv) Listing on Stock Exchanges :

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

v) Scrip Codes / Symbol :

Bombay Stock Exchange Limited : 531400
National Stock Exchange of India Limited : ALMONDZ
Listing Fees have been duly paid to all the Stock Exchanges, wherever required, for the Financial Year 2013-14.

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

INE-326B01027 as allotted by NSDL & CDSL

vii) Depositories Connectivity :

- National Securities Depository Limited (NSDL)
 - Central Depository Service (India) Limited (CDSL)
- Annual Custodial Fees have been duly paid to both the Depositories for the Financial Year 2013-14.

viii) Corporate Identification Number :

L74899DL1994PLC059839

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ix) Market Price Data :

- (A) High, Low and number and volume of trades of Company's equity shares vis-a-vis (Sensx) during each month in the financial year 2012-13 at the Bombay Stock Exchange Limited :

Bombay Stock Exchange Ltd. (BSE)

Month & Year	Month's High	Month's Low	Volume of Trades
April 12	14.45	9.35	137035
May 12	9.99	6.75	294996
June 12	8.70	6.91	64022
July 12	9.15	7.04	57344
August 12	9.15	7.20	52273
September 12	10.50	7.00	276043
October 12	10.25	7.76	102886
November 12	9.35	7.55	32156
December 12	9.55	8.00	30905
January 13	8.84	7.40	35777
February 13	8.09	6.31	47518
March 13	8.50	6.10	45576

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

Source : www.bseindia.com

- (B) High, Low and number and volume of trades of Company's equity shares during each month in the financial year 2012-13 at the National Stock Exchange of India Limited :

National Stock Exchange of India Ltd. (NSE)

Month & Year	Month's High	Month's Low	Volume of Trades
April 12	13.45	9.15	71613
May 12	10.05	6.60	270523
June 12	8.80	7.00	47326
July 12	10.05	6.50	32004
August 12	9.50	7.25	27522
September 12	10.00	7.25	332042
October 12	11.45	7.25	120380
November 12	9.85	7.65	26465
December 12	9.20	7.70	40673
January 13	8.95	7.25	32146
February 13	8.20	6.30	43366
March 13	8.25	6.65	94402

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

Source : www.nseindia.com

x) Reconciliation of Share Capital Audit :

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

xi) Registrar and Transfer Agent (RTA) :

Name & Address :

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

xii) Places for Acceptance of Documents :

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

xiii) Share Transfer System :

As on 31 March 2013, 97.75% of the shares of the Company are in the electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged either with the Company or with BEETAL at the above mentioned address.

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

xiv) Investors Grievance Redressal System :

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

xv) Nomination Facility :

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

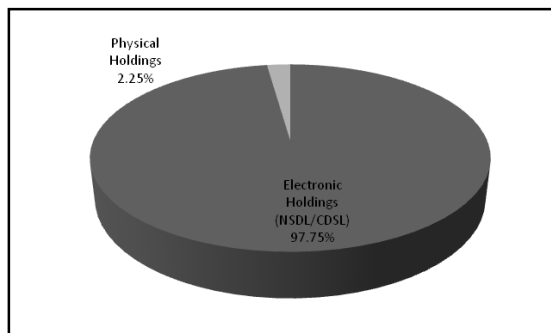
For further details, shareholders may write to BEETAL.

xvi) Consolidation of Folios :

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

xvii) Status of dematerialization of shares as on March 31, 2013 :

	Electronic holdings (NSDL/CDSL)	Physical holdings	Total
No. of equity shares	25303218	581749	25884967
Percentage	97.75	2.25	100.00



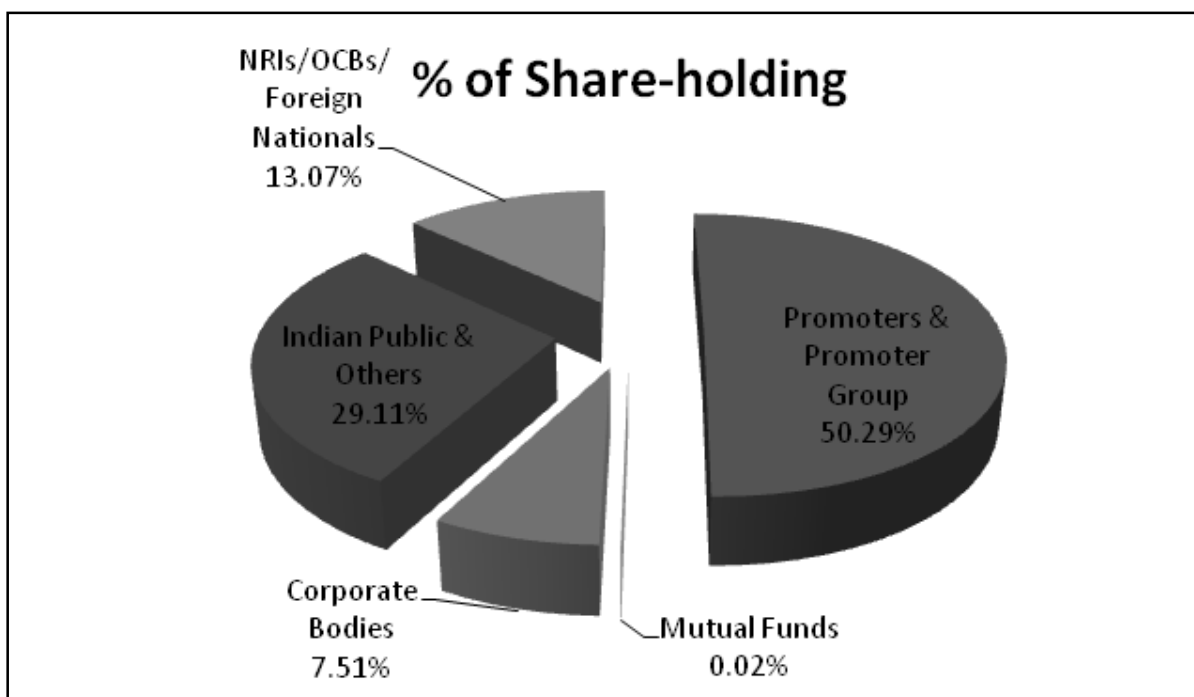
xviii) Shareholding as on March 31, 2013 :

A. Distribution of shareholding as on March 31, 2013 :

Shareholding of Nominal Value of Rupees	No. of Shareholders	%age of Shareholders	Total No. of Shares	%age of Shareholding
1 to 5000	4870	87.35	738737	2.85
5001 to 10000	318	5.70	354894	1.37
10001 to 20000	161	2.89	385717	1.49
20001 to 30000	53	0.95	229811	0.88
30001 to 40000	21	0.38	121563	0.46
40001 to 50000	9	0.16	66635	0.25
50001 to 100000	57	1.02	661615	2.55
100001 and above	86	1.54	23325995	90.11
Total	5575	100.00	25884967	100.00

B. Categories of shareholders (as per Clause 35 of Listing Agreement) as on March 31, 2013 :

Category	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Promoters & Promoter Group	4	0.08	13018104	50.29
Mutual Funds	2	0.03	4500	0.02
Corporate Bodies	180	3.23	1942435	7.51
Indian Public & Others	5352	96.00	7535217	29.11
NRIs / OCBs / Foreign Nationals	37	0.66	3384711	13.07
Total	5575	100.00	25484967	100.00


xix) Description of Voting Rights :

All shares issued by the Company carry equal voting rights.

xx) Persons holding more than 1% Equity Shares :

The names of the shareholders who hold more than 1% equity shares of the Company as on March 31, 2013 :

Name of Shareholder	No. of shares held	%age shareholding
Almondz Capital & Management Services Ltd.	12858814	49.68
Al Anwar Holdings SAOG	3091500	11.94
Dilip Kumar Lakhi	1170117	4.52
Anant Lalchand Sanghvi	359536	1.39
Jagdeep Singh	292700	1.13
B. L. Mahajan	274389	1.06
Total	18347056	69.72

xxi) Equity History of the Company :

The Equity history of the Company up to March 31, 2013 :

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

xxii) Due dates of Transfer of Unclaimed Dividend :

Financial Year	Type of Dividend	Date of Declaration	Amount outstanding as on March 31, 2013 (Rounded off in Rs.)	Due Dates for Transfer
2005-06	Final	30 September 2006	543642/-	30 November 2013
2006-07		18 September 2007	434115/-	18 November 2014
2007-08		24 September 2008	165952/-	24 November 2015
2008-09		24 September 2009	117453/-	24 November 2016
2009-10		28 September 2010	158017/-	28 November 2017
2010-11		29 September 2011	196439/-	29 November 2018

xxiii) Financial Results on Company's Website :

The quarterly and annual results of the Company are displayed on its website www.almondzglobal.com. The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 97.75% of the Company's share capital are dematerialised as on March 31, 2013.

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

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

xxiv) Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity, as on 31 March 2013 :

No. of Convertible instruments	To be Converted Latest By	Impact on Equity after Conversion
2948964 Stock Options	As per the terms of respective grants (maximum within 6 years from the date of respective grants)	The paid-up share capital would be Rs. 173003586/- consisting of 28833931 equity shares of Rs. 6/- each

xxv) Address for correspondence :

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

Designated E-mail address for investor services :
complianceofficer@almondz.com
Website : www.almondzglobal.com

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

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

xxvii) Investors' correspondence may be addressed to :

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

xxviii) General Do's and Don'ts :

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

xxix) Green Initiative in Corporate Governance :

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

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

GREEN INITIATIVE

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

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

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

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

beetalrta@gmail.com,

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

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

To the Members of
Almondz Global Securities Limited

We have examined the compliance of conditions of corporate governance by Almondz Global Securities Limited ("the Company") for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002638N

Parul Gupta
Partner
Membership No. 095539

Place : New Delhi
Dated : 27th May, 2013

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

I, Vinay Mehta, Managing Director of Almondz Global Securities Limited (hereinafter "the Company"), confirm that the Company has in respect of the financial year ended March 31, 2013, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team consists of employees upto the level of Sr. Vice President from top down of the organizational hierarchy as on March 31, 2013.

New Delhi
August 13, 2013

VINAY MEHTA
Managing Director

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

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

1. We have reviewed the financial statements and the cash flow statement for the financial year 2012-13 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for the establishing and maintaining Company's internal control system for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee that there were no deficiencies in the design and operation of internal controls that could adversely affect the Company's ability to record process, summarise and report financial data, and that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to the deficiencies. Internal controls are evaluated by the internal audit function in accordance with the scope specified by the Audit Committee. The internal audit function works with all levels of management and reports its findings to the Audit Committee of Board of Directors.
4. We have indicated to the Auditors and to the Audit Committee:
 - a) that there have been no significant changes in internal control over financial reporting during the year;
 - b) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - c) that there were no instances of significant fraud of which we have become aware that involve the management or other employees who have significant role in the Company's internal control system over financial reporting.
5. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct under Cluase 49 of the Listing Agreement, for the financial year 2012-13.

New Delhi
August 13, 2013

G. P. AGRAWAL
Chief Financial Officer

VINAY MEHTA
Managing Director

Independent Auditors' Report

To the Members of
Almondz Global Securities Limited,

1. Report on Financial Statements

We have audited the accompanying financial statements of the Company, Almondz Global Securities Limited ("the company"), which comprises the Balance Sheet as at 31st March, 2013, Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (ii) in the case of the Profit and Loss Account, of profit for the year ended on that date; and

- (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

5. Emphasis of Matter

Without qualifying our report, attention is drawn to note no. 2.31 to the financial statements. In relation to two of the merchant banking assignments executed by the Company, Securities Exchange Board of India ('SEBI') had passed an ex parte ad-interim order prohibiting the Company from taking up any new merchant banking assignments or involvement in any new issue of capital including initial public offerings, follow-on issue and etcetera from the securities market. The ex parte ad interim order was later on confirmed by SEBI and show cause notices under regulations of SEBI (Intermediaries) Regulations, 2008 and under various sections of SEBI Act were issued. The Company has filed its response with the SEBI and the matter is under the SEBI's consideration. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained and therefore, no provisions for any liability or any other adjustments that might be required has not been recognised in the financial statements.

6. Report on other Legal and Regulatory Matters

- 1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in the said order.
- 2. As required by Section 227(3) of the Act, 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 purpose of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002638N

Parul Gupta

Partner

Membership No. 095539

Place : Delhi
Dated : 27th May, 2013

Annexure referred to in paragraph 5 of the Independent Auditor's Report to the Members of Almondz Global Securities Limited on the accounts for the year ended 31st March, 2013.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) The Company has conducted verification of stock-in-trade comprising shares, bonds and other securities at reasonable intervals. As informed to us by the management no material discrepancies were noted on such verification.
- (b) The procedures for verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of stock-in-trade.
3. (a) The Company has given unsecured loans to three Companies listed in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 383,866,162/- and the year end balance of loan was Rs. 280,511,159/-. During the year, the Company has not granted any loan to any other party or firm covered in the register maintained under Section 301 of the Act.
- (b) In view of above and according to information and explanations given to us, we are of the opinion that the terms and conditions of loan granted by the Company are not, prima facie, prejudicial to the interests of the Company.
- (c) In the case of loans granted to the Companies listed in the register maintained under Section 301 of the Act, the borrowers have been regular in paying the interest as stipulated in the agreements. The loans are repayable at mutually agreed date between the Company and the borrowers. The repayments have been made by the borrowers as and when stipulated. The Company has not taken any loan secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventories (goods) and sale of goods. We have not observed any material weaknesses in the internal control system during the course of our audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangement referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lac with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the business activities carried on by the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Income Tax, Sale Tax, Wealth Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty and Customs duty. No amount of unpaid dividend as at 31 March 2013 was due to be deposited in Investor Education and Protection Fund during the year ended 31 March 2013.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Service Tax, Income tax, Sales Tax, Wealth Tax, and other material statutory dues were in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (Rs.)	Assessment year to which amount relates	Forum where dispute is pending
The Finance Act, 2000	Service tax	3,221,550	2008 - 2010	Additional Commissioner, Service Tax, New Delhi
The Finance Act, 2000	Service tax	1,272,868	2006 - 2010	Additional Commissioner, Service Tax, New Delhi
The Income - tax Act, 1961	Income tax	4,054,709	2006 - 2007	Income Tax Appellate Tribunal - Delhi Bench
The Income - tax Act, 1961	Income tax	2,723,937	2007 - 2008	Income Tax Appellate Tribunal - Delhi Bench
The Income - tax Act, 1961	Income tax	4,410,300	2008 - 2009	Additional Commissioner of Income Tax (TDS), New Delhi
The Finance Act, 2000	Service tax	419,819	2004 - 2005	Commissioner of Central Exice (Service Tax), New Delhi

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the bankers and financial institutions. The Company did not have any outstanding debentures during the year.
12. The Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund nor nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made. Further, such securities and investments have been held by the company in it's own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issue.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002638N

Parul Gupta
Partner

Place : Delhi
Dated : 27th May, 2013

Membership No. 095539

Balance Sheet as at 31 March 2013

(Amounts in Indian rupees)

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
I Equities and Liabilities			
(1) Shareholders' funds			
a) Share capital	2.1	155,309,802	155,309,802
b) Reserves and surplus	2.2	954,004,320	953,840,779
		1,109,314,122	1,109,150,581
(2) Non-current liabilities			
a) Long-term borrowings	2.3	202,453,270	217,555,133
b) Deferred tax liabilities (net)	2.4	—	—
c) Other long-term liabilities	2.5	2,161,476	2,228,059
d) Long-term provisions	2.6	3,793,400	4,947,361
		208,408,146	224,730,553
(3) Current liabilities			
a) Short-term borrowings	2.7	15,872,364	3,081,594
b) Trade payables	2.8	22,523,365	72,126,177
c) Other current liabilities	2.9	106,168,314	141,227,873
d) Short-term provisions	2.10	842,480	633,165
		145,406,523	217,068,809
TOTAL		1,463,128,791	1,550,949,943
II ASSETS			
(1) Non-current assets			
a) Fixed assets			
i) Tangible assets	2.11	382,911,181	395,532,581
ii) Intangible assets	2.12	9,117,117	14,792,792
iii) Capital work-in-progress		—	1,155,706
b) Non-current investments	2.13	232,908,552	229,151,948
c) Long-term loans and advances	2.14	151,025,795	131,030,403
d) Other non-current assets	2.15	31,795,950	27,996,222
		807,758,595	799,659,652
(2) Current assets			
a) Inventories	2.16	35,842,577	73,435,978
b) Trade receivables	2.17	121,262,271	156,032,645
c) Cash and cash equivalents	2.18	47,970,501	125,203,715
d) Short-term loans and advances	2.19	343,446,303	308,022,800
e) Other current assets	2.20	106,848,544	88,595,153
		655,370,196	751,290,291
TOTAL		1,463,128,791	1,550,949,943

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

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

Parul Gupta

Partner

Membership No.: 095539

Ajay Pratap

Company Secretary

Govind Prasad Agrawal

Chief Finance Officer

Vinay Mehta

Managing Director

Jagdeep Singh

Wholesale Director

Date : 27 May, 2013

Place : New Delhi

Date : 27 May, 2013

Place : New Delhi

Statement of Profit and Loss for the year ended 31 March 2013

(Amounts in Indian rupees)

Particulars	Note No.	For the year ended 31 March 2013	31 March 2012
I Revenue from operations	2.21	395,439,712	565,361,714
II Other income	2.22	90,633,790	42,522,176
III Total revenue (I+II)		486,073,502	607,883,890
IV Expenses			
Employee benefit expense	2.23	169,626,276	231,737,880
Finance cost	2.24	30,935,077	31,818,255
Depreciation and amortisation expense	2.11 and 2.12	23,239,890	30,913,754
Other expenses	2.25	261,977,764	352,639,944
Total expenses		485,779,007	647,109,833
V Profit/(loss) before prior period items and tax expense		294,495	(39,225,943)
Prior period expenses/(income) (net)	2.26	130,954	113,500
VI Profit/(loss) before tax		163,541	(39,339,443)
VII Tax expense			
- Current tax		—	—
- Current tax for earlier year		—	—
- Deferred tax charge/(credit)		—	(2,465,067)
VIII Profit/(loss) for the year		163,541	(36,874,376)
IX Earnings/(loss) per share (face value of Rs. 6 per share) 2.27			
Basic		0.01	(1.41)
Diluted		0.01	(1.41)

Significant accounting policies 1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

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

Parul Gupta
Partner
Membership No.: 095539

Ajay Pratap
Company Secretary

Govind Prasad Agrawal
Chief Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholesale Director

Date : 27 May, 2013
Place : New Delhi

Date : 27 May, 2013
Place : New Delhi

Cash Flow Statement for the Year ended 31 March 2013

(Amounts in Indian rupees)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
A. Cash flow from operating activities		
Profit / (loss) before prior period items and taxes	294,495	(39,225,943)
Adjusted for		
Depreciation	23,239,890	30,913,754
(Profit) / loss on sale of fixed assets	1,374,666	1,014,126
Fixed assets written off	2,794,238	3,873,103
Provision for employee benefits	—	—
Provision for doubtful debts	—	22,052,775
Bad debts written off	22,738,676	114,975
Advance / debit balances written off	118,380	15,874,015
Provision for doubtful advances	—	165,059
Provision for doubtful security deposits	—	380,000
(Profit) / loss on sale of investment	(125,531)	—
Excess provision written back	(1,921,472)	(1,512,962)
Excess provision for doubtful debts written back	(20,854,857)	—
Dividend income	—	(4,608,691)
Interest income	(48,235,611)	(34,115,743)
Excess provision for diminution in value of investment reversed	(3,694,000)	—
Liabilities no longer required written back	(6,225,094)	(969,355)
Excess provision for doubtful security deposit reversed	(380,000)	—
	(30,876,220)	(6,044,887)
Less : Prior period expense	130,954	113,500
Operating profit before working capital changes	(31,007,174)	(6,158,387)
Adjusted for net changes in working capital		
(Increase) / decrease in inventories	37,593,401	40,585,051
(Increase) / decrease in trade receivables	32,886,555	(16,392,510)
(Increase) / decrease in loans and advances and other current and non-current assets	(30,252,150)	7,088,923
Increase / (decrease) in current and non-current liabilities and provisions	(76,955,732)	(63,166,296)
Increase / (decrease) in bank deposits held as margin money	(6,500,000)	(30,000,000)
Cash flow before extra ordinary items and tax	(74,235,100)	(68,043,219)
Taxes paid	(25,148,954)	(38,637,807)
Net cash generated from/(used in) operating activities (A)	(99,384,054)	(106,681,026)
B. Cash flow from investing activities		
Purchase of fixed assets	(9,594,668)	(13,014,486)
Payments for capital work in progress	1,155,706	79,102
Proceeds from sale of fixed assets	482,949	879,612
Fixed deposits (with a maturity more than 90 days) placed	(28,128,520)	(84,016,882)
Fixed deposits (with a maturity more than 90 days) matured	22,300,272	164,313,346
Investments made	62,927	(3,000,000)
Dividend received	—	4,608,691
Interest received	38,754,569	36,633,052
Net cash from / (used in) investing activities (B)	25,033,235	106,482,435
C. Cash flow from financing activities		
Proceeds from issue of share capital	—	10,659,997
Repayment of secured long term borrowings (net)	(15,101,863)	(13,809,370)
Net increase / (decrease) in cash credit facilities	12,790,770	(8,226,863)
Dividend and corporate dividend tax paid	—	(195,929)
Net cash from/(used in) financing activities (C)	(2,311,093)	(11,572,165)
Net cash inflows during the year (A+B+C)	(76,661,912)	(11,770,756)
Cash and cash equivalents (opening balance)	123,016,793	134,787,549
Cash and cash equivalents (closing balance)	46,354,881	123,016,793

Notes

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

2 **Cash and bank balance include :**

Cash and cash equivalents		
– Cash in hand	1,491,929	1,392,476
– Cheque / drafts in hand	322,262	—
– Balances with banks in current account	44,540,690	121,624,317

Cash and cash equivalents (closing balance) **46,354,881** **123,016,793**

Other bank balances		
Fixed deposits (with a maturity more than 90 days) placed	94,728,520	86,200,000
Unpaid dividend account	1,615,620	2,186,922

Cash and bank balances at the end of the year **142,699,021** **211,403,715**

3 Other bank balances includes Rs. 4,000,000 (Previous year Rs. 3,700,000) earmarked for settlement of certain liabilities and Rs. 79,500,000 (Previous year Rs. 73,000,000) pledged with stock exchanges.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

Parul Gupta

Partner

Membership No. : 095539

Date : 27 May, 2013

Place : New Delhi

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

Ajay Pratap
Company Secretary

Govind Prasad Agrawal
Chief Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Date : 27 May, 2013
Place : New Delhi

Notes to the Financial Statements

(Amounts in Indian rupees)

1. Significant accounting policies

(i) Basis of preparation

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

The financial statements have been prepared on the Revised Schedule VI of the Companies Act 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Previous year's figures have been regrouped / reclassified wherever considered necessary.

(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) Current / Non-current classification

All assets and liabilities are classified as current and non-current.

i) Assets

An asset is classified as current when it satisfies any of the following criteria :

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

ii) Liabilities

A liability is classified as current when it satisfied any of the following criteria :

- it is expected to be settled in the Company's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities includes current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(iv) 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.
- Revenue on account of trading in shares is recognized on the basis of each trade executed at the stock exchange during the financial year.
- In respect of non delivery based transactions such as derivatives, the profit and loss is accounted for at the completion of each settlement, however in case of an open settlement the net result of transactions which are squared up on FIFO basis is recognized as Profit / Loss in the account.
- Depository income is accounted for on accrual basis.
- 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.

(v) Interest expense

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

(vi) 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

Notes to the Financial Statements

(Amounts in Indian rupees)

India, for sharing personnel, common services and facilities like premises, telephones, etc. are allocated to them at cost and reduced from respective expenses.

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

(vii) Employee benefits

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

(a) Short term benefits

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

(b) Provident fund (Defined contribution plan)

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

(c) Gratuity (Defined benefit plan)

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

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

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

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

The Company provides for leave encashment based on actuarial valuation using projected unit credit method in respect of past service. In respect of compensated absences arising during the tenure of service, the defined benefit obligation is calculated taking into account the pattern of availment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected upto the assumed date of encashment. The valuation of leave encashment benefit is done as at the balance

sheet date by an independent actuary. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(viii) Fixed assets

Tangible assets

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

Depreciation on tangible assets

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

Intangible assets and its amortisation

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

(ix) Impairment

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

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Investments, which are held as stock in trade as part of the business operations are valued in the same manner as are relatable to Current Investments.

- i) The Cost is arrived at FIFO method and is inclusive of brokerage, transfer expenses and demat charges, if any. The fair value is arrived at with reference to the market value, if available, quotation in any stock exchange or any other available information to indicate a transaction between unrelated willing buyer and willing seller at arms length price.
- ii) In case of unquoted investments, the fair value is arrived on the basis of breakup value as per latest available audited balance sheet of the investee company.
- iii) Interest accrued and/or broken period interest paid on unsold securities is recognized as "Interest Accrued on Investment" under Other Current Assets.

(xi) Foreign currency transactions

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

(xii) Current and deferred tax

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

(xiii) Provisions, contingent liabilities and contingent assets

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

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

(xiv) Earnings per share

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

(xv) Operating leases

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

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

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to whole-time directors and employees of the Company. The Scheme provides that employees are granted an option

Notes to the Financial Statements

(Amounts in Indian rupees)

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.

(xvii) Cash and Cash Equivalents

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

2. Notes to the financial statements

2.1 Share Capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital Equity shares of Rs. 6 each				
	50,000,000	300,000,000	50,000,000	300,000,000
Issued, subscribed and paid-up Equity shares of Rs. 6 each fully paid-up	25,884,967	155,309,802	25,884,967	155,309,802
Total	25,884,967	155,309,802	25,884,967	155,309,802

The reconciliation of number of shares outstanding and the amount of share capital as at 31 March 2013 and 31 March 2012 is set out below :

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 6 each fully paid-up				
At the beginning of the year	25,884,967	155,309,802	25,484,967	152,909,822
Add : Shares issued on exercise of employee stock options	—	—	400,000	2,400,000
At the end of the year	25,884,967	155,309,802	25,884,967	155,309,802

Rights, preferences and restriction attached to equity shares

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

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

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

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

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Almondz Capital and Management Services Limited	12,858,814	49.68	12,858,814	49.68
Al Anwar Holdings SAOG	3,091,500	11.94	3,091,500	11.94

Notes to the Financial Statements

(Amounts in Indian rupees)

Employees Stock Option Scheme 2007

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

The activity in the scheme during the year ended 31 March 2013 and 31 March 2012, respectively, is set out below:

Particulars	For the year ended	
	31 March 2013	31 March 2012
Options outstanding at the beginning of the period	3,294,300	3,446,800
Add: New options granted during the year	—	550,000
Less: Exercised	—	400,000
Forfeited	293,300	302,500
Options outstanding at the end of the period	3,001,000	3,294,300
Options exercisable at the end of the period	2,760,964	2,560,631

The weighted average share price of options exercised under the scheme during the year ended 31 March 2012 was Rs. 26.65. No options were exercised during the year ended 31 March 2013.

The following table summarize information about the series of options outstanding under as at 31 March 2013 and 31 March 2012 respectively.

Series 'A'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	1,006,000	1,074,300
Weighted average remaining contractual remaining life of the options	1.12	2.12
Weighted average exercise price	26.65	26.65

Series 'B'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	975,000	975,000
Weighted average remaining contractual remaining life of the options	1.22	2.22
Weighted average exercise price	26.65	26.65

Series 'C'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	—	165,000
Weighted average remaining contractual remaining life of the options	—	3.21
Weighted average exercise price	—	26.65

Notes to the Financial Statements

(Amounts in Indian rupees)

Series 'D'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	590,000	590,000
Weighted average remaining contractual remaining life of the options	2.85	3.85
Weighted average exercise price	26.65	26.65

Series 'E'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	40,000	40,000
Weighted average remaining contractual remaining life of the options	3.18	4.18
Weighted average exercise price	26.65	26.65

Series 'F'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	390,000	450,000
Weighted average remaining contractual remaining life of the options	4.20	5.20
Weighted average exercise price	27.45	27.45

- a) As at 31 March 2013, the Company had 3,001,000 (previous year 3,294,300) number of shares reserved for issue under employee stock option plans. Out of above 2,760,964 (previous year 2,560,631) employee stock options are vested and are exercisable at any point of time.
- b) No options were granted during the current financial year. The weighted average fair value of the options granted during previous financial year was Rs. 14.56 per option.
- c) Disclosures regarding Employees Stock Option Scheme :

Sr. No.	Particulars	For the year ended	
		31 March 2013	31 March 2012
1.	Options granted during the year	—	550,000
2.	Number of shares reserved for issue under ESOS	3,001,000	3,294,300
3.	Employee Stock Option vested and exercisable at any point of time	2,760,964	2,560,631
4.	Weighted average fair value of options granted during the year	—	14.56
5.	Effect on compensation cost, proforma loss after tax and basic and diluted earnings per share had the company used fair value of options :		
	a) Compensation cost	—	6,511,047
	b) Proforma loss after tax	—	43,385,423
	c) Basic and diluted earnings per share	—	1.64
	d) Key assumptions :		
	Risk-free interest rate	—	7.99% to 8.24%
	Expected life	—	3.5 to 5.5 years
	Expected volatility	—	53.4 %

Notes to the Financial Statements

(Amounts in Indian rupees)

2.2 Reserves and surplus

Particulars	As at	
	31 March 2013	31 March 2012
Securities premium		
At the beginning of the year	396,671,970	388,411,973
Add: Addition due to exercise of employee stock options	—	8,259,997
At the end of the year	396,671,970	396,671,970
Capital reserve		
At the beginning of the year	81,098,900	16,538,250
Add: Forfeiture of money received against warrants ¹	—	64,560,650
At the end of the year	81,098,900	81,098,900
Amalgamation reserve	112,719,998	112,719,998
General reserve	17,000,000	17,000,000
Surplus in the Statement of Profit and Loss		
At the beginning of the year	346,349,911	383,420,216
Add: Profit / (loss) for the year	163,541	(36,874,376)
Less: Appropriations		
— Proposed dividend on equity shares	—	—
— Dividend (including corporate dividend tax) paid for previous year ²	—	195,929
At the end of the year	346,513,452	346,349,911
Total	954,004,320	953,840,779

¹ Money received against warrants

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

² Proposed dividend

Proposed dividend for the previous year represents dividend in respect of 400,000 equity shares issued on exercise of employee stock options by certain employees of the Company before the book closure date for declaration of dividends for the financial year ended 31 March 2011. Since the financial statements for the year ended 31 March 2011 had been approved by the Board of Directors prior to the book closure date, the amount was recorded as appropriation of profits for the year ended 31 March 2012.

Notes to the Financial Statements

(Amounts in Indian rupees)

2.3 Long-term borrowings

Particulars	As at	
	31 March 2013	31 March 2012
Secured term loan		
From banks	284,976	1,675,700
From others	202,168,294	215,879,433
Total	202,453,270	217,555,133

Nature of security and terms of repayment of secured borrowings :

Nature of security

Term loan from others amounting to Rs. 202,168,294 (previous year Rs. 215,824,552) are secured by way of equitable mortgage of one of building owned by the Company. Further, the loan has also been guaranteed by Mr. Navjeet Singh Sobti, Executive Vice Chairman of the Company.

Term loans from banks amounting to Rs. 284,976 (previous year Rs. 1,675,700) are secured against hypothecation of specific vehicles financed.

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

Terms of payment

Term loan is taken from financial institution and carries an interest rate of LIBOR minus 100 bps. The interest rate as at year end is 13.40% per annum (previous year 13.40%). The last installment would fall due on 10 July 2020. The loan is repayable in 120 equal monthly installments along with the interest. Loan amounting to Rs. 13,656,258 (previous year Rs. 11,952,501) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in Note 2.9

Loans are repayable in 36 equal monthly installments along with the interest and carries fixed interest rate from 9.08% to 13.75% per annum specific to the respective banks. The last installment would fall due on 15 July 2014. Loan amounting to Rs. 1,390,724 (previous year Rs. 1,710,666) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in Note 2.9.

Loan is repayable in 36 equal monthly installments along with the interest and carries fixed interest rate of 9.75% and 13.64% per annum. The last installment would fall due on 3 April 2013. Loan amounting to Rs. 54,881 (previous year Rs. 1,302,841) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in Note 2.9.

(Intentionally left blank)

Notes to the Financial Statements

(Amounts in Indian rupees)

2.4 Deferred taxes (net)

Particulars	As at	
	31 March 2013	31 March 2012
Deferred tax liability		
Difference in the written down value of fixed assets as per the Companies Act, 1956 and the Income-tax Act, 1961	21,652,024	20,083,798
Total deferred tax liability	21,652,024	20,083,798
Deferred tax asset		
Provision for doubtful debts	1,896,628	8,267,865
Provision for diminution in investments	3,145,366	4,343,884
Provision for employee benefits	1,454,157	1,702,307
Others	1,571,662	2,391,999
Carried forward losses	25,661,215	14,785,524
Total deferred tax asset	33,729,028	31,491,579
Net deferred tax liability/(assets) recognised¹	—	—
Deferred tax charged/(credit) to Statement of Profit and Loss	—	(2,465,067)

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

2.5 Other Long-term liabilities

Particulars	As at	
	31 March 2013	31 March 2012
Security deposits received	1,600,737	1,916,965
Rent equalisation reserve	560,739	311,094
Total	2,161,476	2,228,059

2.6 Long-term provisions

Particulars	As at	
	31 March 2013	31 March 2012
Provision for employee benefits		
Compensated absences	3,793,400	4,947,361
Total	3,793,400	4,947,361

2.7 Short-term borrowings

Particulars	As at	
	31 March 2013	31 March 2012
Secured overdraft from banks	15,872,364	3,081,594
Total	15,872,364	3,081,594

Bank overdrafts are for the working capital requirements of the Company and are secured by way of pledge of fixed deposits amounting to Rs. 25,000,000 with IDBI Bank Limited and Rs.15,000,000 with the Punjab National Bank Limited. The rate of interest is 11.00% per annum with both IDBI Bank Limited and Punjab National Bank Limited.

Notes to the Financial Statements

(Amounts in Indian rupees)

2.8 Trade payables

Particulars	As at	
	31 March 2013	31 March 2012
Trade payables ¹	22,523,365	72,126,177
Total	22,523,365	72,126,177

¹ The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no trade payable and other current liabilities payable to Micro and Small Enterprises as at 31 March 2013 and 31 March 2012.

2.9 Other current liabilities

Particulars	As at	
	31 March 2013	31 March 2012
Current maturities of secured long-term borrowings [refer to Note 2.3]	15,101,863	14,966,008
Interest accrued but not due on borrowings	1,469,347	1,723,023
Unpaid dividends ¹	1,615,620	2,186,922
Security deposit received	24,952	—
Book overdraft	—	7,264,471
Due to clients	65,443,159	82,070,284
Rent equalisation reserve	24,926	2,308,931
Advances and margin money from customers	1,254,440	856,000
Statutory dues payable	8,434,619	13,370,926
Other payables ²	12,799,388	16,481,308
Total	106,168,314	141,227,873

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

² The balance includes salary payable amounting to Rs.12,799,338 (previous year Rs. 16,403,887).

2.10 Short-term provisions

Particulars	As at	
	31 March 2013	31 March 2012
Provision for employee benefits		
Gratuity	—	—
Compensated absences	767,455	567,646
Other provisions		
Provision for wealth tax	75,025	65,519
Total	842,480	633,165

Notes to the Financial Statements

(Amounts in Indian rupees)

2.11 Tangible assets

Cost	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	As at 31 March 2013
Office Buildings	342,849,239	—	—	342,849,239	—	—	342,849,239
Leasehold improvements	4,767,118	9,678,943	—	14,446,061	8,757,854	282,590	22,921,325
Furniture and fixtures	45,622,349	132,112	10,509,044	35,245,417	—	5,305,298	29,940,119
Computers and peripherals	41,421,346	374,748	985,993	40,810,101	—	1,764,630	39,045,471
Office equipment	24,216,066	927,112	1,250,847	23,892,331	836,814	1,174,898	23,554,247
Vehicles	19,777,259	1,820,571	2,762,870	18,834,960	—	40,750	18,794,210
Total	478,653,377	12,933,486	15,508,754	476,078,109	9,594,668	8,568,166	477,104,611

Depreciation	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	As at 31 March 2013
Office Buildings	4,829,081	5,588,444	—	10,417,525	5,588,444	—	16,005,969
Leasehold improvements	3,970,423	796,695	—	4,767,118	1,937,153	(370,399)	7,074,670
Furniture and fixtures	21,238,599	9,926,103	6,592,999	24,571,703	4,424,675	4,611,651	24,384,727
Computers and peripherals	25,096,544	5,991,592	895,365	30,192,771	5,008,500	1,764,630	33,436,641
Office equipment	4,500,153	1,520,583	314,637	5,706,099	1,273,566	339,439	6,640,226
Vehicles	5,007,245	1,821,980	1,938,913	4,890,312	1,781,554	20,669	6,651,197
Total	64,642,045	25,645,397	9,741,914	80,545,528	20,013,892	6,365,990	94,193,430

Carrying amounts				As at 31 March 2012			As at 31 March 2013
Office Buildings				332,431,714			326,843,270
Leasehold improvements				9,678,943			15,846,655
Furniture and fixtures				10,673,714			5,555,392
Computers and peripherals				10,617,330			5,608,830
Office equipment				18,186,232			16,914,021
Vehicles				13,944,648			12,143,013
Total				395,532,581			382,911,181

2.12 Intangible assets

Cost	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	As at 31 March 2013
Computer software	33,200,662	—	—	33,200,662	—	9,892,411	23,308,251
Painting and sculpture	257,840	81,000	—	338,840	—	—	338,840
Total	33,458,502	81,000	—	33,539,502	—	9,892,411	23,647,091

Amortisation	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	As at 31 March 2013
Computer software	13,408,601	5,240,338	—	18,648,939	3,192,206	7,442,734	14,398,411
Painting and sculpture	69,752	28,019	—	97,771	33,792	—	131,563
Total	13,478,353	5,268,357	—	18,746,710	3,225,998	7,442,734	14,529,974

Carrying amounts				As at 31 March 2012			As at 31 March 2013
Computer software				14,551,723			8,909,840
Painting and sculpture				241,069			207,277
Total				14,792,792			9,117,117

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	As at	
	31 March 2013	31 March 2012
Long-term, other investments		
(A) Unquoted		
Investment in subsidiaries :		
Almondz Insurance Brokers Private Limited ¹ [918,000 (previous year 918,000) equity shares of Rs.10 fully paid-up]	18,633,147	18,633,147
Almondz Finanz Limited [20,000,000 (previous year 20,000,000) equity shares of Rs.10 fully paid-up]	200,000,000	200,000,000
Almondz Commodities Private Limited [1,490,000 (previous year 1,490,000) equity shares of Rs. 10 fully paid-up]	14,900,000	14,900,000
Skiffle Healthcare Services Limited [80,000 (previous year Nil) equity shares of Rs.10 fully paid-up]	800,000	—
Almondz Retail Equity Limited [50,000 (previous year 50,000) equity shares of Rs.10 fully paid-up]	500,000	500,000
Total	234,833,147	234,033,147
Less : Provision for diminution in value of investment	4,924,595	8,618,595
Net total (a)	229,908,552	225,414,552
Investment in equity shares		
Dijit Prognosys Private Limited [3,000 (previous year 3,000) equity shares of Rs.100 fully paid-up]	300,000	300,000
Network 1 Media Consultant Private Limited [7,844 (previous year 7,844) equity shares of Rs.10 fully paid-up]	3,000,000	3,000,000
Total	3,300,000	3,300,000
Less : Provision for diminution in value of investment	300,000	300,000
Net total (b)	3,000,000	3,000,000
(B) Quoted		
Investment in equity shares		
Indo Korea Exports Limited [389,600 (previous year 389,600) equity shares of Rs.10 fully paid-up]	3,896,000	3,896,000
Ritesh Polyster Limited [34,600 (previous year 34,600) equity shares of Rs.10 fully paid-up]	523,860	523,860
Ecoplast India Limited [2,500 (previous year 2,500) equity shares of Rs.10 fully paid-up]	20,000	20,000
Vantech Industries Limited [3,000 (previous year 3,000) equity shares of Rs.10 fully paid-up]	30,000	30,000
Total	4,469,860	4,469,860
Less : Provision for diminution in value of investment	4,469,860	4,469,860
Net total (c)	—	—
Investment in mutual funds		
Principal Cash Management Fund - growth Nil (previous year 502,411) units of Rs.1,000 each (previous year Rs.10 each)	—	737,396
Total (d)	—	737,396
Total (a + b + c + d)	232,908,552	229,151,948
Aggregate book value of quoted investments	—	—
Aggregate Market value of quoted investments	83,250	82,500
Aggregate book value of unquoted investments	232,908,552	229,151,948
Aggregate net asset value of investment in units of mutual funds	—	838,253

¹ The Board of Directors at its meeting held on 11 November, 2010 decided to dispose off the Company's stake in one of its subsidiaries namely Almondz Insurance Brokers Private Limited to the promoters of the company namely Almondz Capital and Management Services Limited (ACMS). Approval from Insurance Regulatory Development Authority (IRDA) has since been received and the company has entered into an agreement with ACMS to sell the shares at a future date at a price to be decided. As per the terms of the agreement, ACMS shall sell the shares to a third party at same price subject to obtaining approval from various authorities. Pending such approvals, the Company's stake in the subsidiary has not yet been disposed off.

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	As at	
	31 March 2013	31 March 2012
Inter-corporate deposits	—	12,500,000
Loans to staff	1,835,000	378,000
Capital advances	1,781,189	485,139
Security deposits ¹	55,199,952	57,819,834
Advance income tax and tax deducted at source	90,364,444	57,226,766
[Net of provision of Rs. 85,844,739 (previous year Rs. 85,844,739)]		
Prepaid expenses	1845,210	2,620,664
Total	151,025,795	131,030,403

¹ Security deposits

Particulars	As at	
	31 March 2013	31 March 2012
Rented premises	3,005,000	4,141,612
Membership and other deposits with stock exchanges	47,050,000	48,180,981
Others	5,144,952	5,497,241
Total	55,199,952	57,819,834

2.15 Other non-current assets

Particulars	As at	
	31 March 2013	31 March 2012
Long - term deposits with maturity of more than 12 months ¹	31,795,950	27,996,222
Total	31,795,950	27,996,222

¹ Bank deposits with maturity of more than 12 months includes an amount of Rs.1,500,000 (previous year Rs. Nil) being deposit made with the banks as margin money against bank guarantees submitted with stock exchanges. It also includes Rs.5,100,000 (previous year Rs. 2,800,000) earmarked by the management for the settlement of certain statutory liabilities.

Notes to the Financial Statements

(Amounts in Indian rupees)

2.16 Inventories

Particulars	As at	
	31 March 2013	31 March 2012
Equity shares - quoted	19,808,177	3,500,688
Corporate, Central Government and State Government bonds	16,034,400	69,935,290
Total	35,842,577	73,435,978

Break-up of Inventories held as at 31 March 2013 is as follows :

Particulars	Amount
Equity shares	
Andhra Pradesh Paper Mills Limited	8,278,665
Fairfield Atlas Limited	7,338,491
Linde India Limited (formerly BOC India Limited)	3,754,690
Other shares	436,331
Bonds	
8.70% Rural Electrification Corporation 2018	14,000,000
8.85% Allahabad Bank 2016	1,001,900
9.98% Industrial Financial Corporation of India Limited 2030	1,013,300
Other bonds	19,200
Total	35,842,577

Break-up of Inventories held as at 31 March 2012 is as follows :

Particulars	Amount
Equity shares	
Tata Investment Corporation Limited	1,968,685
Elder Pharmaceuticals Limited	1,099,272
Other shares	432,731
Bonds	
9.65% Krishna Bhagya Jala Nigam Limited	56,000,000
10.85% West Bengal State Electricity Distribution Company Limited	9,992,000
Other bonds	3,943,290
Total	73,435,978

2.17 Trade receivables

Particulars	As at	
	31 March 2013	31 March 2012
Secured, considered good		
Other debts	60,082,500	45,217,156
Total (a)	60,082,500	45,217,156
Unsecured, considered good		
Outstanding for more than six months	636,535	4,548,139
Other debts	60,543,236	106,267,350
Total (b)	61,179,771	110,815,489
Unsecured, considered doubtful		
Outstanding for more than six months	4,627,851	25,482,708
Less : Provision for doubtful debts	4,627,851	25,482,708
Total (c)	—	—
Total (a+b+c)	121,262,271	156,032,645

Notes to the Financial Statements

(Amounts in Indian rupees)

2.18 Cash and cash equivalents

Particulars	As at	
	31 March 2013	31 March 2012
Cash and cash equivalents		
Cash in hand	1,491,929	1,392,476
Cheques/drafts in hand	322,262	—
Balances with banks in current accounts	44,540,690	121,624,317
Total (a)	46,354,881	123,016,793
Other bank balances		
Unpaid dividend account	1,615,620	2,186,922
Total (b)	1,615,620	2,186,922
Total (a+b)	47,970,501	125,203,715

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

Particulars	As at	
	31 March 2013	31 March 2012
Inter-corporate deposits	12,500,000	—
Loans ¹	281,703,409	244,394,500
Security deposits ²	37,206,839	41,542,438
Security deposits - considered doubtful	—	380,000
Balance with service tax authorities	564,456	425,714
Advance income-tax and tax deducted at source	—	7,988,724
[Net of provision of Rs. 35,096,596 (previous year Rs. 35,096,596)]		
Prepaid expenses	3,876,129	3,975,577
Advances for rendering services	4,906,402	8,699,960
Other recoverable	2,610,128	727,627
Other advances	78,940	268,260
Total	343,446,303	308,402,800
Less : Provision for doubtful security deposits	—	380,000
Total	343,446,303	308,022,800

¹ Loans

Particulars	As at	
	31 March 2013	31 March 2012
To Related parties	280,511,159	242,800,000
To Staff	1,192,250	1,594,500
Total	281,703,409	244,394,500

² Security deposits

Particulars	As at	
	31 March 2013	31 March 2012
Rented premises	31,006,634	31,445,958
Others	6,200,205	10,096,480
Total	37,206,839	41,542,438

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	As at	
	31 March 2013	31 March 2012
Bank deposits with maturity of more than 3 months ¹	94,728,520	86,200,000
Interest accrued on fixed deposits	744,557	358,064
Interest accrued on bonds/securities	283,827	203,324
Interest accrued on loan	9,094,549	—
Unbilled revenue	1,997,091	1,833,765
Total	106,848,544	88,595,153

¹ Bank deposits with maturity of more than 3 months includes deposits of Rs. 78,000,000 (previous year Rs. 73,000,000) made with the banks as margin money for bank guarantees submitted with stock exchanges. It also includes Rs. 1,200,000 (previous year Rs. 900,000) earmarked by the management for the settlement of certain statutory liabilities.

2.21 Revenue from operations

Particulars	For the year ended	
	31 March 2013	31 March 2012
Revenue from operations		
Advisory and consultancy fees	105,188,042	176,426,750
Broking activities	276,510,593	327,014,801
Net gain/(loss) in trading of shares	5,775,843	(671,371)
Net gain/(loss) in trading of securities/bonds	8,443,032	35,644,156
Profit/(loss) on derivatives	(13,691,711)	6,290,353
Other operating income	13,213,913	20,657,025
Total	395,439,712	565,361,714

2.21 (a) The following is the summary of net results in trading of shares :

Particulars	For the year ended	
	31 March 2013	31 March 2012
Trading of shares		
Opening stock of shares	3,500,688	9,408,940
Add: Cost of shares purchased	106,014,357	2,015,600
	109,515,045	11,424,540
Less: Closing stock of shares	19,808,177	3,500,688
Cost of shares sold	89,706,868	7,923,852
Less: Sale of shares	95,482,711	7,252,481
Net (loss)/gain in trading of shares	5,775,843	(671,371)

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

Particulars	For the year ended	
	31 March 2013	31 March 2012
Trading of securities/bonds		
Opening stock of securities	69,935,290	104,612,089
Add: Cost of securities purchased	1,860,371,151	5,193,924,409
	1,930,306,441	5,298,536,498
Less: Closing stock of securities	16,034,400	69,935,290
Cost of securities sold	1,914,272,041	5,228,601,208
Less: Sale of securities	1,922,715,073	5,264,245,364
Net gain in trading of securities/bonds	8,443,032	35,644,156

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	For the year ended	
	31 March 2013	31 March 2012
Delayed payment charges	4,702,890	11,593,719
Interest on Bank deposits pledged with exchanges ¹	7,390,969	8,336,391
Advertisement income	813,716	708,224
Dividend income	306,338	18,691
Total	13,213,913	20,657,025

¹ The interest income on deposits pledged with banks / stock exchange has been included in operating income since the same is directly attributable to primary revenue generating operation of the company.

2.22 Other income

Particulars	For the year ended	
	31 March 2013	31 March 2012
Interest income on		
– Bank deposits	3,970,770	4,157,291
– Others ¹	44,264,841	29,958,452
Dividend from subsidiary	—	4,590,000
Net gain on sale of investments	125,531	—
Rent received	8,834,820	326,000
Excess provision no longer required written back	5,615,472	1,512,962
Excess provision for doubtful debts written back	20,854,857	—
Excess provision for doubtful security deposit reversed	380,000	—
Liabilities no longer required written back	6,225,094	969,355
Bad debts recovered	46,691	410,883
Miscellaneous income	315,714	597,233
Total	90,633,790	42,522,176

¹ Includes interest on loan to subsidiaries, associates and deposits with body corporate.

2.23 Employee benefit expense

Particulars	For the year ended	
	31 March 2013	31 March 2012
Salaries, wages and bonus	165,046,136	225,127,615
Contribution to provident and other funds	1,064,261	1,456,147
Gratuity (refer to note 2.28)	189,320	544,753
Staff welfare expense	3,326,559	4,609,365
Total	169,626,276	231,737,880

2.24 Finance cost

Particulars	For the year ended	
	31 March 2013	31 March 2012
Interest expense	30,935,077	31,818,255
Total	30,935,077	31,818,255

Notes to the Financial Statements

(Amounts in Indian rupees)

2.25 Other expenses

Particulars	For the year ended	
	31 March 2013	31 March 2012
Brokerage and commission	131,760,035	167,880,689
Professional charges	22,654,032	37,893,402
Rent	12,057,461	18,036,282
Provision for doubtful debts	—	22,052,775
Bad debts written off	22,738,676	114,975
Communication	10,845,485	15,965,004
Advance/debit balances written off	118,380	15,874,015
Legal and professional	17,579,011	13,948,817
Electricity and water	6,776,599	8,277,944
Travelling and conveyance	6,261,911	8,235,733
Repair and maintenance		
– Office maintenance	5,642,627	6,798,326
– Computer maintenance	3,188,880	6,379,263
– Vehicle repair and maintenance	2,090,690	2,102,108
Business promotion	3,191,177	5,141,365
Printing and stationery	2,137,271	4,128,726
Fixed assets written off	2,794,238	3,873,103
Auditor's remuneration ¹	541,950	2,555,343
Rates and taxes	2,387,221	2,584,564
Membership fee and subscription	2,248,731	1,368,417
Bank charges	2,177,829	3,083,514
Charity and donations	1,426,701	2,045,701
Loss on error trades	—	1,287,430
SEBI and stock exchange fee and charges	942,273	1,211,874
Loss on sale of fixed assets (net)	1,374,666	1,014,126
Provision for doubtful security deposits	—	380,000
Provision for doubtful advances	—	165,059
Miscellaneous	1,299,236	1,484,646
	262,235,080	353,883,201
Less : Recovery of expenses	257,316	1,243,257
Net total	261,977,764	352,639,944

¹ Auditor's remuneration (excluding service tax)

Particulars	For the year ended	
	31 March 2013	31 March 2012
Statutory Auditors		
Audit fee	500,000	2,290,000
Others	41,950	95,000
Out of pocket expenses	—	170,343
Total	541,950	2,555,343

Notes to the Financial Statements

(Amounts in Indian rupees)

2.26 Prior period items

Particulars	For the year ended	
	31 March 2013	31 March 2012
Income		
Interest on deposits with banks	73,713	—
Other income	26,135	—
	99,848	—
Expenditure		
Legal and professional charges	44,500	—
Communication expenses	172,188	—
Miscellaneous expenses	14,114	113,500
	230,802	—
Prior period expenses (net)	130,954	113,500

2.27 Earnings per share

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

Particulars	For the year ended	
	31 March 2013	31 March 2012
Net profit/ (loss) after tax available for equity shareholders (A)	163,541	(36,874,376)
Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation (B)	25,884,967	25,484,967
Weighted average number of shares issued during the year	—	258,630
Weighted average number of equity shares for Basic EPS (C) (Face value of Rs.6 each)	25,884,967	26,143,597
Add: Weighted average number of potential equity shares that could arise on conversion of employee stock option granted	—	—
Weighted average number of equity shares for Diluted EPS (Face value of Rs.6 each) (D)	25,884,967	26,143,597
Basic EPS (A/C)	0.01	(1.41)
Diluted EPS (A/D)	0.01	(1.41)

2.28 Disclosures required under AS-15-Employee Benefits

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

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	Gratuity	
	For the Year ended	
	31 March 2013	31 March 2012
Opening defined benefit obligation	19,036,662	19,985,832
Interest cost	1,528,604	1,688,637
Current service cost	2,466,389	4,220,362
Past service cost (vested benefits)	—	—
Actual return on plan assets	(1,194,697)	1,431,362
Benefits paid	—	(2,925,285)
Actuarial (gain) / loss on obligation	(5,000,370)	(3,932,884)
Closing defined benefit obligation	18,031,285	19,036,662

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

Particulars	Gratuity	
	For the Year ended	
	31 March 2013	31 March 2012
Opening fair value of plan assets	19,304,922	15,648,845
Expected return	1,765,481	1,291,030
Contributions by employer	—	5,150,000
Benefits paid	—	(2,925,285)
Actuarial gain / (losses)	(2,960,178)	140,332
Closing fair value of plan assets	18,110,225	19,304,922

iii) Statement of Profit and Loss

Particulars	Gratuity	
	For the Year ended	
	31 March 2013	31 March 2012
Current service cost	2,466,389	4,220,362
Interest cost	1,528,604	1,688,637
Expected return on plan assets	(1,765,481)	(1,291,030)
Past service cost (vested benefits)	—	—
Actuarial (gain) / loss	(2,040,192)	(4,073,216)
Net benefit expense	189,320	544,753

iv) Balance sheet

Particulars	Gratuity	
	For the Year ended	
	31 March 2013	31 March 2012
Defined benefit obligation	18,031,285	19,036,662
Fair value of plan assets	18,110,225	19,304,922
Plan Asset / (Liability)	78,940	268,260

Note: Liability in respect of compensated absences at the end of the current year amounts to Rs. 4,560,855 (previous year Rs. 5,515,007).

Notes to the Financial Statements

(Amounts in Indian rupees)

v) Principal Actuarial Assumptions are as follows :

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.20%	8.50%	8.20%	8.50%
Expected rate of return on plan assets	9.00%	8.50%	—	—
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years of age	1%*	1%*	5%	5%
Above 30 years but up to 44 years of age	1%*	1%*	3%	3%
Above 44 years of age	1%*	1%*	1%	1%

The estimates of future salary increase considered in actuarial valuation 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 and service related

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

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

Gratuity	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Defined benefit obligation	18,031,285	19,036,662	19,985,832	11,525,653	9,437,089
Fair value of plan assets	18,421,763	19,616,460	15,648,845	10,028,005	7,376,032
Surplus / (Deficit)	390,478	579,798	(4,336,987)	(1,497,648)	(2,061,057)
Experience adjustment in plan liabilities (Gain) / Loss	(5,281,757)	(3,255,148)	836,939	(920,062)	—
Experience adjustment in plan assets (Gain) / Loss	2,960,178	(140,332)	(299,309)	(1,279)	—

(Intentionally left blank)

Notes to the Financial Statements

(Amounts in Indian rupees)

2.29 Contingent Liabilities

	Particulars	As at 31 March 2013	As at 31 March 2012
1	Suit filed by clients on the Company for recovery on account of unauthorized trades on stock exchanges / deficiency in services. These matters are pending before various dispute resolution authorities.	2,008,206	1,629,009
2	Suit filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	446,544	446,544
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007 and 31 March 2008. Hearing with Service Tax Appeal Department at Faridabad, Haryana completed, order awaited.	3,221,550	3,221,550
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 till the financial year ended 31 March 2009. Reply filed with Assistant Commissioner of Service Tax M G Road, New Delhi, hearing awaited.	1,272,868	1,272,868
5	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company.	300,000,000	300,000,000
6	Corporate guarantee issued for Almondz Commodities Private Limited, a subsidiary of the Company.	50,000,000	50,000,000
7	Income-tax demand raised by Assessing Officer in respect of financial year ended 31 March 2006. Hearing pending at ITAT, Loknath Bhawan, Khan Market, New Delhi.	40,54,709	4,054,709
8	Income-tax demand raised by assessing officer in respect of financial year ended 31 March 2007. Hearing pending at ITAT, Loknath Bhawan, Khan Market, New Delhi.	2,723,937	2,723,937
9	Tax deducted at sources demand raised by Assessing Officer in respect of financial year ended 31 March 2008.	—	3,137,010
10	TDS demand raised by Assessing Officer in respect of financial year ended 31 March 2008.	4,410,300	—
11	Demand of service tax liability on account of short deposit of tax for the period May and June, 2003 vide their order no. 50/2011 dated 28.02.2011 by Assistant Commissioner Service Tax, Range-1. Reply filed with Commissioner of Central Excise (Service Tax) M G Road, New Delhi.	419,819	—
	Total	368,557,933	366,485,627

2.30 Commitments

Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 6,105,680 (previous year Rs. NIL).

2.31 In relation to two of the merchant banking assignments executed by the Company, Securities Exchange Board of India ('SEBI') had passed an ex parte ad-interim order prohibiting the Company from taking up any new merchant banking assignments or involvement in any new issue of capital including initial public offerings, follow-on issue and etcetera from the securities market. The ex parte ad interim order was later on confirmed by SEBI and show cause notices under regulations of SEBI (Intermediaries) Regulations, 2008 and under various sections of SEBI Act were issued. The Company has filed its response with the SEBI and the matter is under the SEBI's consideration. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained and therefore, no provisions for any liability or any other adjustments that might be required has not been recognised in the financial statements.

2.32 Details of income and expenditure in foreign currency :

Income earned in foreign currency

S. No.	Particulars	For the year ended	
		31 March 2013	31 March 2012
1	Professional fee received	—	4,896,851
	Total	—	4,896,851

Notes to the Financial Statements

(Amounts in Indian rupees)

Expenditure incurred in foreign currency

S. No.	Particulars	For the year ended	
		31 March 2013	31 March 2012
1	Books and periodicals expenses	—	21,095
2	Director sitting fee	20,000	20,000
	Total	20,000	41,095

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

Shareholders	Number of Equity shares	Amount remitted during the year ended	
		31 March 2012 ¹	31 March 2011 ²
1	3,091,500	—	1,298,430

¹ Amount of dividend net of tax of Rs. Nil for the year ended 31 March 2012 remitted during the year ending 31 March 2013.

² Amount of dividend net of tax of Rs. 215,653 for the year ended 31 March 2011 remitted during the year ending 31 March 2012.

2.33 Related Party Disclosures

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

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

Almondz Capital and Management Services Limited (ACMS)

(ii) Subsidiaries (entities over which the Company exercises control)

Almondz Finanz Limited (AFL)

Almondz Debt Advisors Limited (ADAL) (Subsidiary of Almondz Finanz Limited)

Almondz Commodities Private Limited (ACPL)

Almondz Retail Equity Limited (AREL)

Almondz Insurance Brokers Private Limited (AIBPL)

Almondz Re-insurance Brokers Private Limited (ARBPL) (Subsidiary of Almondz Insurance Brokers Private Limited)

Skiffle Healthcare Services Limited (SHSL) [with effect from 15 February 2013]

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

Innovative Money Matters Private Limited (IMMPL)

Rinku Sobti Fashions (P) Limited (RSFPL)

(iv) Key Managerial Personnel

Mr. Vinay Mehta

Mr. Navjeet Singh Sobti

Mr. Jagdeep Singh

(v) Relatives of Key Managerial Personnel

Mrs. Bulbul Dhir Mehta

Mrs. Gurpreet N. S. Sobti

Navjeet Singh Sobti (HUF)

Jagdeep Singh (HUF)

Mr. Surinderjeet Singh

Mrs. Bimla Kaur

Mr. Manpreet Singh

Mrs. Parmeet Kaur

Notes to the Financial Statements

(Amounts in Indian rupees)

**B) Transactions during the year and the balances outstanding as at the year end with the related parties :
For the year ended 31 March 2013**

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

Particulars	AFL	ACPL	AREL	AIBPL	ARBPL	SHSL	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh
Income										
Sale of shares / securities	13,215,175	—	—	—	—	—	—	—	—	—
Interest received	41,942,355	—	—	—	—	27,781	117,452	—	—	—
Dividend received	—	—	—	—	—	—	—	—	—	—
Reimbursable expenses	—	—	—	—	—	—	—	—	—	—
Recovery of expenses	—	2,471,767	—	2,624,268	14,338,615	—	—	—	—	—
Brokerage received	6,047,810	—	—	1,460	—	—	2,475,555	13,294	—	7,635
Delay payment charges received on broking activities	—	—	—	—	—	—	431	—	—	—
Depository charges received on broking activities	12,516	—	—	—	—	—	5,039	618	187	485
Expenditure										
Purchase of bonds	340,194,517	—	—	—	—	—	—	—	—	—
Rent Paid	—	—	—	—	—	—	—	—	—	—
Remuneration	—	—	—	—	—	—	—	7,255,464	7,544,524	4,841,675
Assets / Liabilities										
Loan granted	363,800,000	—	—	—	—	5,100,000	38,200,000	—	—	—
Repayment of loan granted	331,188,841	—	—	—	—	—	38,200,000	—	—	—
Issue of share capital	—	—	—	—	—	—	—	—	—	—
Security premium received	—	—	—	—	—	—	—	—	—	—
Closing balances										
Non-current investments	200,000,000	14,900,000	500,000	18,633,147	—	800,000	—	—	—	—
Trade receivables	290,005	—	2,540	68,983	206,873	—	111,395	—	—	1,698
Short-term loans and advances (loan and advances given)	275,411,159	—	—	—	—	5,125,003	—	—	—	—
Other current assets (interest accrued on loan)	9,069,546	—	—	—	—	—	—	—	—	—
Trade payables	—	—	—	—	—	—	—	—	—	—
Employees stock option exercised during the year	—	—	—	—	—	—	—	—	—	—
Employee stock option outstanding	—	—	—	—	—	—	—	—	—	—

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	IMMPL	RSFPL	N. S. Sobti (HUF)	Gurpreet N. S. Sobti	Bulbul Dhir Mehta	Jagdeep Singh (HUF)	Surinderjit Singh	Bimla Kaur	Manpreet Singh	Parmeet Kaur
Income										
Sale of shares / securities	—	—	—	—	—	—	—	—	—	—
Brokerage received	6,583	—	—	—	3,609	370	10	10	21,133	636
Delay payment charges received on broking activities	—	—	—	—	—	—	—	—	—	—
Depository charges received on broking activities	1,030	—	—	—	277	261	215	215	1,081	289
Expenditure										
Rent Paid	—	1,553,952	—	3,600,000	—	—	—	—	—	—
Loans and advances to others	—	—	—	—	—	—	—	—	—	—
Closing balances										
Trade receivables	—	—	—	—	—	—	—	—	—	—
Short-term loans and advances	—	1,032,000	—	—	—	—	—	—	—	—
Trade payables	—	—	—	—	—	—	—	—	16,673	37,589

For the year ended 31 March 2012

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

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

Notes to the Financial Statements

(Amounts in Indian rupees)

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

Particulars	IMMPL	RSFPL	N.S. Sobti (HUF)	Mrs. Gurpreet N.S. Sobti	Jagdeep Singh (HUF)	Mr. Surinderjit Singh	Mrs. Bimla Kaur	Mr. Manpreet Singh
Income								
Sale of shares / securities	—	—	2,11,621	—	—	—	—	—
Brokerage received	—	—	—	—	1,700	—	—	47,348*
Delay payment charges received on broking activities	—	—	—	—	—	9	9	945
Depository charges received on broking activities	1,103	—	—	—	26	—	13	710
Expenditure								
Rent Paid	—	688,000	—	3,600,000	—	—	—	—
Loans and advances to others	—	172,000	—	270,000	—	—	—	—
Closing balances	—	—	—	—	—	—	—	—
Trade receivables	551	—	—	35	—	35	35	—
Short-term loans and advances	—	1,032,000	—	—	—	—	—	—
Trade payables	—	—	—	—	48,431	—	—	286,220

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

2.34 Segment Reporting :

For the year ended 31 March 2013

Particulars	BUSINESS SEGMENTS					
	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Un-allocable	Total
Segment Revenue						
Segment revenue	833,502	198,708,714	124,032,517	71,864,979	—	395,439,712
Segment Results						
Segment results including other income but before Interest income, interest expenses, taxes and prior period expense(net of income)	(11,070,303)	51,543,684	21,811,944	(13,89,161)	(77,902,204)	(17,006,040)
Add : Interest income	—	—	38,12,501	18,69,352	42,553,758	48,235,611
Less : Interest expenses	—	—	732,025	—	30,203,052	30,935,077
Less : Prior period expenses (net of income)	—	—	—	82,795	48,159	130,954
Profit / (Loss) before tax	(11,070,303)	51,543,684	24,892,420	397,397	(65,599,657)	163,541
Less : Provision for tax for the year	—	—	—	—	—	—
Less : Prior period tax	—	—	—	—	—	—
Net Profit / (Loss) after tax	(11,070,303)	51,543,684	24,892,420	397,397	(65,599,657)	163,541
Other Information						
Segmental assets	37,972,673	48,321,232	69,303,504	280,501,827	1,027,029,555	1,463,128,791
Segmental liabilities	652,171	10,438,736	20,098,326	78,126,296	244,499,140	353,814,669
Capital expenditure	—	—	1,748,132	249,787	7,596,749	9,594,668
Depreciation	114,549	114,549	239,592	1,836,820	20,934,380	23,239,890
Non cash expenditure other than depreciation(net of non-cash income)	—	40,642,890	(1,057,960)	1,267,688	(111,819)	40,740,799

Notes to the Financial Statements

(Amounts in Indian rupees)

For the year ended 31 March 2012

Particulars	BUSINESS SEGMENTS					
	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Un-allocable	Total
Segment Revenue						
Segment revenue	41,620,905	219,284,444	192,736,743	111,719,622	—	565,361,714
Segment Results						
Segment results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income)	22,427,773	70,640,330	11,166,730	(38,226,379)	(101,697,555)	(35,689,101)
Add: Interest income	—	—	—	—	27,819,853	27,819,853
Less: Interest expenses	—	—	—	—	31,364,591	31,364,591
Less: Prior period expenses (net of income)	—	—	—	—	105,605	105,605
Profit/(Loss) before tax	22,427,773	70,640,330	11,166,730	(38,226,379)	(105,347,898)	(39,339,443)
Less: Provision for tax for the year	—	—	—	—	(2,465,067)	(2,465,067)
Less: Prior period tax	—	—	—	—	—	—
Net Profit/(Loss) after tax	22,427,773	70,640,330	11,166,730	(38,226,379)	(102,882,831)	(36,874,376)
Other Information						
Segmental assets	73,639,302	54,606,418	115,895,953	282,639,714	1,024,168,556	1,550,949,943
Segmental liabilities	1,312,000	6,864,683	62,164,774	99,420,704	272,037,201	441,799,362
Capital expenditure	—	—	—	849,329	12,165,157	13,014,486
Depreciation	—	—	—	7,270,249	23,643,505	30,913,754
Non cash expenditure other than depreciation (net of non-cash income)	—	20,571,358	(150,295)	3,552,239	6,892,923	30,866,225

Notes :

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

Notes to the Financial Statements

(Amounts in Indian rupees)

2.35 Operating lease obligations

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

Operating lease obligations

Particulars	For the Year ended	
	31 March 2013	31 March 2012
Lease payments for the year	20,156,972	31,971,344
Minimum lease payments due:		
Not later than one year	16,321,081	11,573,611
Later than one year but not later than five years	30,447,275	19,534,726
Later than five years	1,932,598	3,849,524

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

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

Parul Gupta

Partner

Membership No.: 095539

Date : 27 May, 2013

Place : New Delhi

Ajay Pratap

Company Secretary

Date : 27 May, 2013

Place : New Delhi

Govind Prasad Agrawal

Chief Finance Officer

Vinay Mehta

Managing Director

Jagdeep Singh

Wholesale Director

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

(Rs. In Lacs)

Subsidiary	Almondz Finanz Limited
Financial period ended	March 31, 2013
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	20,000,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	8.35 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	96.53 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil

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

(Rs. In Lacs)

Subsidiary	Almondz Debt Advisors Limited
Financial period ended	March 31, 2013
Holding Company's interest	100 % indirect holding (A wholly owned subsidiary of Almondz Finanz Limited)
Shares held by the Holding Company in Subsidiary Company fully paid up	20,000,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.28 (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	2.54 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	Nil

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

(Rs. In Lacs)

Subsidiary	Almondz Commodities Private Limited
Financial period ended	March 31, 2013
Holding Company's interest	85.14% in equity shares (Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	1,490,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	7.91 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	1.38 (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	21.51 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	3.76 (Profit)

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

(Rs. In Lacs)

Subsidiary	Almondz Retail Equity Limited
Financial period ended	March 31, 2013
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	0.26 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.21 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil

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

(Rs. In Lacs)

Subsidiary	Almondz Insurance Brokers Private Limited*
Financial period ended	March 31, 2013
Holding Company's interest	51% in equity shares (Subsidiary with effect from 23 January 2010)
Shares held by the Holding Company in Subsidiary Company fully paid up	918,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	126.81 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	121.83 (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	66.59 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	63.98 (Profit)

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

(Rs. In Lacs)

Subsidiary	Almondz Re-insurance Brokers Private Limited*
Financial period ended	March 31, 2013
Holding Company's interest	51% indirect holding (A wholly owned subsidiary of Almondz Insurance Brokers Private Limited)
Shares held by the Holding Company in Subsidiary Company fully paid up	918,000 equity shares (indirect holding) of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	164.46 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	158.00 (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	96.91 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	93.11 (Profit)

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

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

(Rs. In Lacs)

Subsidiary	Skiffle Healthcare Services Limited **
Financial period ended	March 31, 2013
Holding Company's interest	80% in equity shares (Subsidiary with effect from 15 February 2013)
Shares held by the Holding Company in Subsidiary Company fully paid up	80,000 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	4.87 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	1.22 (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.

** Skiffle Healthcare Services Limited became a subsidiary of Almondz Global Securities Limited with effect from 15 February 2013

Independent Auditors' Report

To the Board of Directors of
Almondz Global Securities Limited

1. Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Almondz Global Securities Limited and its subsidiaries (together referred to as the Group), which comprises the consolidated Balance Sheet as at 31st March, 2013, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said consolidated financial statements give the information required by the Act in the manner so required for the companies

and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
- (ii) in the case of the consolidated Profit and Loss Account, of profit for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of cash flows for the year ended on that date.

5. Other Matters

We did not audit the financial statements / consolidated financial statements of certain subsidiaries, whose financial statements / consolidated financial statements reflect total assets (net) of Rs. 227,467,883 as at March 31, 2013, total revenue (net) of Rs. 534,500,690, net profit of Rs. 56,527,591 and net cash inflow amounting to Rs. 29,441,673 for the year ended on that date. These financial statements / consolidated financial statements have been audited by the other auditors whose reports have been furnished to us and our opinion is based solely on the report of the other auditors.

For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002638N

Dated : 27th May, 2013
Place : Delhi

Parul Gupta
Partner
Membership No. : 095539

Consolidated Balance Sheet as at 31 March 2013

(Amounts in Indian rupees)

	Note No.	As at 31 March 2013	As at 31 March 2012
I Equity and Liabilities			
(1) Shareholders' funds			
a) Share capital	2.1	155,309,802	155,231,838
b) Reserves and surplus	2.2	1,027,924,753	1,002,522,532
c) Money received against share warrants		—	—
		1,183,234,555	1,157,754,370
(2) Minority Interest		70,208,160	42,223,338
(3) Non-current liabilities			
a) Long-term borrowings	2.3	203,118,261	218,664,325
b) Deferred tax liabilities, net	2.4	—	—
c) Other long-term liabilities	2.5	2,911,476	2,928,059
d) Long-term provisions	2.6	17,023,599	13,131,947
		223,053,336	234,724,331
(4) Current liabilities			
a) Short-term borrowings	2.7	209,259,968	127,347,301
b) Trade payables	2.8	33,477,414	75,233,353
c) Other current liabilities	2.9	161,258,666	230,313,166
d) Short-term provisions	2.10	29,704,290	40,140,863
		433,700,338	473,034,683
TOTAL		1,910,196,389	1,907,736,722
II ASSETS			
(1) Non-current assets			
a) Fixed assets			
i) Tangible assets	2.11	400,453,088	404,417,208
ii) Intangible assets	2.12	11,074,982	15,868,971
iii) Capital work-in-progress		—	1,155,706
v) Intangible assets under development		1,555,000	240,000
b) Non-current investments	2.13	50,646,619	23,737,396
c) Deferred tax assets (net)	2.4	9,542,731	3,574,615
d) Long-term loans and advances	2.14	194,484,857	198,995,093
e) Other Non Current Assets	2.15	46,440,995	39,283,339
		714,198,272	687,272,328
(2) Current assets			
a) Inventories	2.16	332,478,880	279,076,632
b) Trade receivables	2.17	184,311,011	193,483,646
c) Cash and bank balances	2.18	185,537,780	344,758,432
d) Short-term loans and advances	2.19	357,509,222	282,237,002
e) Other current assets	2.20	136,161,224	120,908,682
		1,195,998,117	1,220,464,394
TOTAL		1,910,196,389	1,907,736,722

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

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

Partner

Membership No.: 095539

Date : 27 May, 2013

Place : New Delhi

Ajay Pratap

Company Secretary

Date : 27 May, 2013

Place : New Delhi

Govind Prasad Agrawal

Chief Finance Officer

Vinay Mehta

Managing Director

Jagdeep Singh

Wholtime Director

Consolidated Statement of Profit and Loss for the year ended 31 March 2013

(Amounts in Indian rupees)

	Note No.	Year ended 31 March 2013	Year ended 31 March 2012
I Revenue from operations	2.21	1,017,105,176	1,073,391,407
II Other income	2.22	44,329,627	16,298,881
III Total revenue (I+II)		1,061,434,803	1,089,690,288
IV Expenses			
Employee benefit expense	2.23	486,495,076	531,338,886
Finance cost	2.24	40,542,431	39,520,293
Depreciation and amortisation expense	2.11 and 2.12	25,274,679	32,394,728
Other expenses	2.25	428,200,782	466,575,105
Total expenses		980,512,968	1,069,829,012
V Profit/(loss) before prior period items and tax expense		80,921,835	19,861,276
Prior period expenses/(Incomes) (net)	2.26	(5,325,125)	99,255
VI Profit/(loss) before tax		86,246,960	19,762,021
VII Tax expense			
— Current tax		32,462,807	21,222,372
— Earlier year income tax		2,888,719	353,477
— Deferred tax charge/(credit)		(5,968,116)	(3,981,261)
VIII Profit for the year		56,863,550	2,167,433
Less : Minorities share of profit		27,584,296	16,085,045
IX Net surplus carried to reserves and surplus		29,279,254	(13,917,612)
X Earnings per share (Rs.) - Par value of Rs. 6 per share	2.27		
Basic		1.13	(0.53)
Diluted		1.13	(0.53)
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

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

Parul Gupta

Partner

Membership No.: 095539

Date : 27 May, 2013

Place : New Delhi

Ajay Pratap

Company Secretary

Date : 27 May, 2013

Place : New Delhi

Govind Prasad Agrawal

Chief Finance Officer

Vinay Mehta

Managing Director

Jagdeep Singh

Wholetime Director

Consolidated Cash Flow Statement for the Year ended 31 March 2013

(Amounts in Indian rupees)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
A. Cash flow from operating activities		
Profit before prior period items and taxes	80,921,835	19,861,274
Adjustments for		
Depreciation	25,274,679	32,394,728
(Profit) / loss on sale of fixed assets	1,374,666	1,138,087
(Profit) / loss on sale of investment	160,609	—
Fixed assets written off	3,018,042	3,899,191
Provision for employee benefits	6,665,013	3,748,869
Bad debts written off	22,754,816	7,615,406
Advance / debit balances written off	118,380	15,874,015
Provision for doubtful debts	14,740,286	23,953,571
Provision for Doubtful advances	—	165,059
Provision for doubtful security deposits	—	380,000
Excess provision written back	(6,445,900)	(1,512,962)
Provision for standard assets	103,100	564,242
Dividend income	—	(1,210,952)
Interest received	(8,657,350)	(10,057,962)
Interest expense	39,458,808	39,392,093
Provision for doubtful debts written back	(20,854,857)	(2,577,000)
Liabilities no longer required written back	(6,369,672)	(969,355)
	<u>152,262,455</u>	<u>132,658,304</u>
Less : Prior period expense / (Income)	(5,325,125)	99,255
Operating profit before working capital changes	157,587,580	132,559,049
Adjusted for net changes in working capital		
(Increase) / decrease in inventories	(53,402,248)	103,838,721
(Increase) / decrease in trade receivables	(7,467,610)	(20,839,312)
(Increase) / decrease in loans and advances and other current assets	(32,429,908)	194,940,747
Increase / (decrease) in current liabilities and provisions	(113,727,461)	(33,075,692)
Increase / (decrease) in bank deposits held as margin money	6,500,000	30,000,000
Cash flow before extra ordinary items and tax	(42,939,647)	407,423,513
Taxes paid	(79,362,766)	(80,088,404)
Net cash generated from/(used in) operating activities (A)	(122,302,413)	327,335,109
B. Cash flow from investing activities		
Purchase of fixed assets	(21,443,550)	(16,724,635)
Payments / proceeds for capital work in progress	(159,294)	79,102
Proceeds from sale of fixed assets	534,272	879,611
Fixed deposits (with a maturity more than 90 days) placed	(56,509,401)	(154,328,999)
Fixed deposits (with a maturity more than 90 days) matured	34,500,272	164,313,346
Investments made	(27,069,832)	(3,000,000)
Dividend received	—	1,210,952
Interest received	7,251,545	13,941,262
Net cash from/(used in) investing activities (B)	(62,895,988)	6,370,639
C. Cash flow from financing activities		
Proceeds from issue of share capital	—	10,659,997
Adjustments for acquisition of minority interest	(105,069)	—
Repayment of secured long term borrowings (net)	(15,546,064)	(14,048,104)
Proceeds from short term borrowings (net)	(111,440)	100,065
Repayment of short term borrowings (net)	—	(166,600,000)
Net increase / (decrease) in cash credit facilities	82,024,107	(98,812,402)
Dividend paid and corporate dividend tax	—	(195,929)
Interest paid	(39,712,484)	(39,353,593)
Net cash from/(used in) financing activities (C)	26,549,050	(308,249,966)
Net cash inflows during the year (A+B+C)	(158,649,350)	25,455,782
Cash and cash equivalents (opening balance)	342,571,510	317,187,365
Cash and cash equivalents (closing balance)	183,922,160	342,643,148

Notes

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

2 **Cash and bank balances includes :**

Cash and cash equivalents

Cash in hand	1,861,876	1,761,370
Cheques in hand	3,059,745	30,188,853
Balances with scheduled banks		
— on current account	174,650,539	309,121,287
— on deposit account	4,350,000	1,500,000

Cash and cash equivalents (closing balance)

Other bank balances		
Fixed deposits (with a maturity more than 90 days) placed	114,980,121	106,628,648
Unpaid dividend account (not available to for use of the company)	1,615,620	2,186,922

Cash and bank balances at the end of the year **300,517,901** **451,387,080**

3 Other bank balances includes Rs.4,000,000 (Previous year Rs.3,700,000) earmarked for settlement of certain liabilities and Rs.79,500,000 (Previous year Rs.73,000,000) pledged with stock exchanges.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **AVK & Associates**

Chartered Accountants

Firm Registration No. 002638N

Parul Gupta

Partner

Membership No. : 095539

Date : 27 May, 2013

Place : New Delhi

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

Ajay Pratap

Company Secretary

Govind Prasad Agrawal

Chief Finance Officer

Vinay Mehta

Managing Director

Jagdeep Singh

Wholtime Director

Date : 27 May, 2013

Place : New Delhi

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

1. Significant accounting policies

(i) Principles of Consolidation

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

Name of the Subsidiary Company	Incorporated on	Country of Incorporation	% of voting power held as at	
			31 March 2013	31 March 2012
Almondz Finanz Limited (AFL)	12 May 2006	India	100%*	100%*
Almondz Commodities Private Limited (ACPL)	17 August 2005	India	85.14%*	85.14%*
Almondz Retail Equity Limited (AREL)	25 September 2008	India	100%*	100%*
Almondz Insurance Brokers Private Limited	27 March 2003	India	51%	51%
Almondz Reinsurance Brokers Private Limited (Subsidiary of Almondz Insurance Brokers Private Limited)	27 December 2006	India	99.995% (indirect holding)	99.995% (indirect holding)
Almondz Debt Advisors Limited (a wholly owned subsidiary of Almondz Finanz Limited)	16 December 2011	India	100% (indirect holding)	100% (indirect holding)
Skiffle Healthcare Services Limited **	14 December 2012	India	80%	N/A
* including shares of beneficial interest through other persons.				
** Subsidiary w.e.f. 15-02-2013				

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 :

- (a) Subsidiary company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.
- (b) The difference of the cost to the Company of its investment in Subsidiary over its proportionate share in the equity of the investee company, as at the date of acquisition of stake is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (c) 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.

- (i) AFL is beneficially owned by Almondz Global Securities Limited (AGSL) to the extent of 100% of the shareholding, wherein 600 equity shares are held by other persons as nominee of AGSL, which for the purpose of these financial statement has been assumed to be held by AGSL, and thus minority interest has not been separately identified.

- (ii) AREL is beneficially owned by Almondz Global Securities Limited (AGSL) to the extent of 100% of the shareholding, wherein 600 equity shares are held by other persons as nominee of AGSL, which for the purpose of these financial statement has been assumed to be held by AGSL, and thus minority interest has not been separately identified.

- (d) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- (e) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2013.

(ii) Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

(GAAP), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

The consolidated financial statements have been prepared based on the Revised Schedule VI of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Previous year's figures have been regrouped/reclassified wherever considered necessary.

(iii) **Use of estimates**

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

(iv) **Current / Non-current classification**

All assets and liabilities are classified as current and non-current.

i) Assets

An asset is classified as current when it satisfies any of the following criteria :

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

ii) Liabilities

A liability is classified as current when it satisfied any of the following criteria.

- a. it is expected to be settled in the Company's normal operating cycle;

- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities includes current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(v) **Revenue recognition**

- a. *Advisory and consultancy services* : Fees is booked on the completion of task / project as per the terms of agreement. However, where the percentage of completion is significant enough to ascertain the outcome reliably, revenue is recognised to the extent it can be accurately measured.
- b. *Broking activities* : Income from broking on distribution operations is recognised on the closure of the issue of mutual funds, bonds, fixed deposits and other money market instruments. Income from equity stock broking operations and commodity broking operation is accrued on completion of transaction at the respective exchanges.
- c. In the case of trading in bonds, the profit/ loss from the transaction is recognised on the closure of the deal and consequent physical delivery of the bond.
- d. Revenue on account of trading in shares is recognized on the basis of each trade executed at the stock exchange during the financial year.
- e. In respect of non delivery based transactions such as derivatives, the profit and loss is accounted for at the completion of each settlement, however in case of an open settlement the net result of transaction which are squared up on FIFO basis is recognized as Profit/Loss in the account.
- f. Dividend income is recognised when the right to receive the income is established.
- g. Depository income is accounted for on accrual basis.
- h. In the case of fixed income securities/ deposits, interest is recognised on a time proportionate basis.
- i. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- j. In case of General Insurance business, Income will accrue after the risk has been incepted and acknowledged by the insurance company.
- k. In case of Life Insurance business, Income will accrue when the proposal is accepted by the insurance company.

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

- l. Brokerage income from reinsurance contracts is recognized when the payment of premium to the reinsurers becomes certain on settlement of premium by the cedent.
- m. Brokerage income on treaty business is accounted for on settlement of treaty premium between cedent and reinsurer.
- n. The Company's revenue recognition policies are in accordance with Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ('prudential norms') as amended from time to time by the Reserve Bank of India and Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules, 2006 for income recognition. Reversal of income, necessitated by these guidelines, has been netted off from income from operations.
- o. In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(vi) Provision for standard and non-performing assets

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

(vii) Interest expense

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

(viii) Expenditure

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

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

(ix) Employee benefits

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

(a) Short term benefits

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

Loss in the period in which the employee renders the related service.

(b) Provident fund (Defined contribution plan)

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

(c) Gratuity (Defined benefit plan)

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

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

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

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

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

(x) Fixed assets

Tangible assets

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

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

capitalized as part of the cost of such assets to the extent that they relates to the period till such assets are ready to put to use.

Depreciation on tangible assets

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

Intangible assets and its amortisation

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

(xi) Impairment

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

(xii) Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investment intended to be held for more than one year from the date such investments are made, are classified as long-term investments. All long-term investments are classified as non-current investments in the Balance Sheet. The portions of long-term investments which are expected to be realised within twelve months from the Balance Sheet date are

classified as current investments. Current investments are valued at lower of cost and market value, computed category-wise e.g. quoted shares, unquoted shares, government securities and non government securities/ bonds. The diminution in current investments is charged to the Statement of Profit and Loss and appreciation, if any, is recognised at the time of sale. Long-term investments, including investments in subsidiaries, are valued at cost unless 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.

Investments, which are held as stock in trade as part of the business operations are valued in the same manner as are relatable to Current Investments.

- i) The Cost is arrived at FIFO method and is inclusive of brokerage, transfer expenses and Demat charges, if any. The fair value is arrived at with reference to the market value, if available, quotation in any stock exchange or any other available information to indicate a transaction between unrelated willing buyer and willing seller at arm's length price.
- ii) In case of unquoted investments, the fair value is arrived on the basis of breakup value as per latest available audited balance sheet of the investee company.
- iii) Interest accrued and/or broken period interest paid on unsold securities is recognized as "Interest Accrued on Investment" under Other Current Assets.

(xiii) Foreign currency transactions

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

(xiv) Current and deferred tax

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

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

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

(xv) Provisions, contingent liabilities and contingent assets

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

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

(xvi) Earnings per share

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

using the weighted average number of equity and dilutive potential shares outstanding during the year, except where the results would be anti-dilutive.

(xvii) Operating leases

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

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

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

(xix) Cash and Cash Equivalents

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

2. Notes to the consolidated financial statements

2.1 Share Capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of Rs. 6 each	50,000,000	300,000,000	50,000,000	300,000,000
Issued, subscribed and fully paid-up				
Equity shares of Rs. 6 each fully paid-up	25,884,967	155,309,802	25,871,973	155,231,838
Total	25,884,967	155,309,802	25,871,973	155,231,838

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

The reconciliation of number of shares outstanding and the amount of share capital as at 31 March 2013 and 31 March 2012 is set out below :

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 6 each fully paid-up				
At the beginning of the year	25,871,973	155,231,838	25,471,973	152,831,838
Add : Shares issued on exercise of employee stock options	—	—	400,000	2,400,000
Add : Adjustment on account of disposal of cross holding by a subsidiary of the company	12,994	77,964	—	—
At the end of the year	25,884,967	155,309,802	25,871,973	155,231,838

Rights, preferences and restriction attached to equity shares

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

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

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

Prior to acquisition of majority stake by AGSL in Almondz Insurance Brokers Private Limited ('AIBPL'), AIBPL was holding 33,334 equity shares of AGSL. Under sub-section (3) of Section 42 of the Companies Act, 1956, AIBPL does not have any right to vote at meetings of the AGSL. Therefore, the number of equity shares comprising paid-up share capital of AGSL as at 31 March 2010 and carrying voting rights was reduced by 33,334 equity shares. Further during the process of consolidation, the said shares were reduced from share capital of AGSL to eliminate holding of AIBPL in AGSL. AIBPL disposed off 20,340 shares of AGSL during the year ended 31 March, 2011 and balance 12,994 equity shares during the year ended 31 March, 2013. Accordingly, the number of equity shares outstanding were increased by the amount of shares disposed off.

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

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Almondz Capital and Management Services Limited	12,858,814	49.68	12,858,814	49.68
Al Anwar Holdings SAOG	3,091,500	11.94	3,091,500	11.94

Employees Stock Option Scheme 2007

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

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

The activity in the scheme during the year ended 31 March 2013 and 31 March 2012, respectively, is set out below :

Particulars	For the year ended	
	31 March 2013	31 March 2012
Options outstanding at the beginning of the period	3,294,300	3,446,800
Add : New options granted during the year	—	550,000
Less : Exercised	—	400,000
Forfeited	293,300	302,500
Options outstanding at the end of the period	3,001,000	3,294,300
Options exercisable at the end of the period	2,760,964	2,560,631

The weighted average share price of options exercised under the scheme during the year ended 31 March 2012 was Rs. 26.65. No option were exercised during the year ended 31 March 2013.

The following table summarise information about the series of options outstanding under the scheme as at 31 March 2013 and 31 March 2012 respectively.

Series 'A'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	1,006,000	1,074,300
Weighted average remaining contractual remaining life of the options	1.12	2.12
Weighted average exercise price	26.65	26.65

Series 'B'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	975,000	975,000
Weighted average remaining contractual remaining life of the options	1.22	2.22
Weighted average exercise price	26.65	26.65

Series 'C'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	—	165,000
Weighted average remaining contractual remaining life of the options	—	3.21
Weighted average exercise price	—	26.65

Series 'D'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	590,000	590,000
Weighted average remaining contractual remaining life of the options	2.85	3.85
Weighted average exercise price	26.65	26.65

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

Series 'E'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	40,000	40,000
Weighted average remaining contractual remaining life of the options	3.18	4.18
Weighted average exercise price	26.65	26.65

Series 'F'

Particulars	For the year ended	
	31 March 2013	31 March 2012
Number of shares arising out of options	390,000	450,000
Weighted average remaining contractual remaining life of the options	4.20	5.20
Weighted average exercise price	27.45	27.45

- a) As at 31 March 2013, the Company had 3,001,000 (previous year 3,294,300) number of shares reserved for issue under employee stock option plans. Out of above 2,760,964 (previous year 2,560,631) employee stock options are vested and are exercisable at any point of time.
- b) No options were granted during the current financial year. The weighted average fair value of the options granted during previous financial year was Rs. 14.56 per option.
- c) Disclosures regarding Employees Stock Option Scheme :

S. No.	Particulars	For the year ended	
		31 March 2013	31 March 2012
1.	Options granted during the year	—	550,000
2.	Number of shares reserved for issue under ESOS	3,001,000	3,294,300
3.	Employee Stock Option vested and exercisable at any point of time	2,760,964	2,560,631
4.	Weighted average fair value of options granted during the year	—	14.56
5.	Effect on compensation cost, proforma loss after tax and basic and diluted earnings per share had the company used fair value of options :		
	a) Compensation cost	—	6,511,047
	b) Proforma loss after tax	—	43,385,423
	c) Basic and diluted earnings per share	—	1.64
	d) Key assumptions :		
	Risk-free interest rate	—	7.99% to 8.24%
	Expected life	—	3.5 to 5.5 years
	Expected volatility	—	53.4 %

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.2 Reserves and surplus

Particulars	As at 31 March 2013	As at 31 March 2012
(a) Securities premium		
At the beginning of the year	396,671,970	388,411,973
Add : Addition due to exercise of employee stock options	—	8,259,997
Add : Gain on sale of treasury shares (net of minority interest)	—	—
At the end of the year	396,671,970	396,671,970
b) Capital reserve		
i) On forfeiture of amount received against share warrants		
At the beginning of the year	81,098,900	16,538,250
Add : Forfeiture of amount received against share warrants ¹	—	64,560,650
At the end of the year	81,098,900	81,098,900
ii) On consolidation (Net)	(1,865,511)	2,011,522
	79,233,389	83,110,422
(c) Amalgamation reserve	112,719,998	112,719,998
(d) General reserve	17,000,000	17,000,000
(e) Special Reserve created under section 45-IC of the RBI Act, 1934²		
At the beginning of the Year	5,117,860	3,312,726
Add : Transferred from Surplus	167,059	1,805,134
Balance at the end of Year	5,284,919	5,117,860
(f) Surplus in the Statement of Profit and Loss		
At the beginning of the year	387,902,282	403,820,959
Add : Allocation of losses to minority due to increase in minority's shares	—	—
Add : Profit / (Loss) after tax as per Statement of Profit and Loss	29,279,254	(13,917,614)
Add : Dividend received from subsidiary	—	—
Less : Appropriations		
Less : Transfer to Special reserve ²	167,059	1,805,134
Dividend (including corporate dividend tax) for the previous year paid during the year ³	—	195,929
At the end of the year	417,014,477	387,902,282
Total (a + b + c + d + e + f)	1,027,924,753	1,002,522,532

¹ **Money received against warrants**

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

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

³ **Proposed dividend**

Proposed dividend for the previous year represents dividend in respect of 400,000 equity shares issued on exercise of employee stock options by certain employees of the Company before the book closure date for declaration of dividends for the financial year ended 31 March 2011. The Board of directors has not proposed any dividend for the financial year ended 31 March 2013.

2.3 Long-term borrowings

Particulars	As at	
	31 March 2013	31 March 2012
Secured term loan		
From banks	284,976	1,675,700
From others	202,833,285	216,988,625
Total	203,118,261	218,664,325

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

Term loan from others amounting to Rs. 202,168,294 (previous year Rs. 215,824,552) are secured by way of equitable mortgage of one of building owned by the Company. Further, the loan has also been guaranteed by a director of the Company.

Term loans from banks amounting to Rs. 284,976 (previous year Rs. 1,675,700) are secured against hypothecation of specific vehicles financed.

Term loan from others amounting to Rs. 664,991 (previous year Rs. 1,164,073) are secured against hypothecation of specific vehicles financed

Terms of payment

Term loan is taken from financial institution and carries an interest rate of LIBOR minus 100 bps. The interest rate as at year end is 13.40% per annum (previous year 13.40%). The last installment would fall due on 10 July 2020. The loan is repayable in 120 equal monthly installments along with the interest. Loan amounting to Rs. 13,656,258 (previous year Rs. 11,952,501) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.9.

Loans are repayable in 36 equal monthly installments along with the interest and carries fixed interest rate from 9.08% to 13.75% per annum specific to the respective banks. The last installment would fall due on 15 July 2014. Loan amounting to Rs. 1,390,724 (previous year Rs. 1,710,666) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.9.

Loans are repayable in 36 equal monthly installments along with the interest and carries fixed interest rate of 9.75% and 13.64% per annum. The last installment would fall due on 3 April 2013. Loan amounting to Rs. 54,881 (previous year Rs. 1,302,841) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.9.

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Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.4 Deferred taxes (net)

Particulars	As at	
	31 March 2013	31 March 2012
Deferred tax asset		
Provision for doubtful debts	7,295,827	8,884,578
Provision for diminution in investments	3,145,366	4,343,884
Provision for employee benefits	6,377,045	4,805,783
Miscellaneous Expenditure to the extent not written off or adjusted	7,394	—
Carried forward losses	25,661,215	14,785,524
Others	1,880,847	(8,634,601)
Total deferred tax asset	44,367,694	24,185,168
Deferred tax liability		
Difference in the written down value of fixed assets as per the Companies Act, 1956 and the Income-tax Act, 1961	22,747,959	20,610,553
Total deferred tax liability	22,747,959	20,610,553
Deferred tax asset/(liability) not recognised (net)	12,077,004	—
Deferred tax asset/(liability) recognised (net)¹	9,542,731	3,574,615
Deferred tax charged/(credit) to Statement of Profit and Loss	(5,968,116)	(3,981,261)

¹ The Company has carried out computation of deferred tax in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified in the Companies (Accounting Standards) Rules, 2006. The deferred tax assets of Rs. 9,542,731 (net of deferred tax liability of Rs. 993,292) disclosed in the consolidated financial statement represents deferred tax assets/liability of subsidiary companies consolidated on a line by line basis.

As at 31 March 2013, the holding company is carrying unabsorbed depreciation and losses under the Income Tax Act, 1961. In the absence of virtual certainty to realise the deferred tax asset available to the holding company, the deferred tax assets of holding company has been recognised only to the extent of deferred tax liability.

2.5 Other Long-term liabilities

Particulars	As at	
	31 March 2013	31 March 2012
Security deposits received	2,350,737	2,616,965
Rent equalisation reserve	560,739	311,094
Total	2,911,476	2,928,059

2.6 Long-term provisions

Particulars	As at	
	31 March 2013	31 March 2012
Provision for employee benefits		
Gratuity	9,363,643	5,717,731
Compensated absences	7,659,956	7,414,216
Total	17,023,599	13,131,947

2.7 Short-term borrowings

Particulars	As at	
	31 March 2013	31 March 2012
Secured		
from banks [*]	448,355	559,795
Bank overdraft ^{**}	208,811,613	126,787,506
	209,259,968	127,347,301
Unsecured		
Loan from related company	—	—
	—	—
Total	209,259,968	127,347,301

^{*} Secured against hypothecation of specific vehicle financed.

^{**} Bank overdraft of Rs. 184,639,500 secured by exclusive charge on Government securities, central and state government securities and state and central government guaranteed bonds/PSU bonds and corporate guarantee of Almondz Global Securities Limited and personally guaranteed by Mr. Navjeet Singh Sobti, Director of the Company. The loan is payable on demand and carries an interest rate of 14.50% per annum (previous year 14.95% per annum).

^{*} Bank overdraft of Rs. 15,872,364 are for the working capital requirement of the Company and is secured by way of pledge of fixed deposits amounting to Rs. 25,000,000 with IDBI Bank Limited and Rs. 15,000,000 with the Punjab National Bank. The rate of interest is 11.00% per annum with the both IDBI Bank Limited and Punjab National Bank.

^{*} Bank overdraft of Rs. 8,299,749 are for the working capital requirement of the Company and is secured by way of pledge of fixed deposits amounting to Rs. 11,200,000 with HDFC Bank. The rate of interest is FDR+1.25% per annum.

2.8 Trade payables

Particulars	As at	
	31 March 2013	31 March 2012
Trade payables ¹	33,477,414	75,233,353
Total	33,477,414	75,233,353

¹ The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs, Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no trade payables and other current liabilities payable to Micro and Small Enterprises as at 31 March 2013 and 31 March 2012.

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.9 Other current liabilities

Particulars	As at	
	31 March 2013	31 March 2012
Current maturities of long-term debt	15,101,863	14,966,008
Interest accrued but not due on borrowings	1,469,347	1,723,023
Unpaid dividend ¹	1,615,620	2,186,922
Book overdraft	—	15,343,510
Due to clients	79,824,412	134,128,972
Rent equalisation reserve ²	24,926	2,308,931
Advances and margin money from customers	7,455,344	856,000
Expenses payable	4,365,244	4,520,954
Reinsurance premium payable	13,009,597	10,727,711
Statutory dues	24,251,189	21,818,811
Other payables	14,116,172	21,732,324
Security deposit received	24,952	—
Total	161,258,666	230,313,166

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

² The amount of rent reserve related to those rented premises where lease agreement is about to expire during the year ended 31 March 2013, and the management has intention to discontinue with the rent premises.

2.10 Short-term provisions

Particulars	As at	
	31 March 2013	31 March 2012
Provision for employee benefits		
Gratuity	1,358,730	1,002,045
Compensated absences	1,373,782	988,812
Other employee related payables	26,225,000	33,164,024
	28,957,512	35,154,881
Other provisions		
Provision for wealth tax	75,025	65,519
Contingent provisions for Standard assets	667,344	564,243
Provision for taxes (net)	4,409	4,169,235
Provision for service tax liabilities	—	186,985
	746,778	4,985,982
Total	29,704,290	40,140,863

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.11 Tangible assets

Cost	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	Other adjust- ment	As at 31 March 2013
Office Buildings	342,849,239	—	—	342,849,239	—	—	—	342,849,239
Leasehold improvements	4,767,118	9,678,943	—	14,446,061	9,652,671	282,590	(12,081)	23,804,061
Plant & Machinery	—	—	—	—	5,101,590	—	(20,824)	5,080,766
Furniture and fixtures	46,157,415	824,782	10,509,044	36,473,153	847,106	5,305,298	(18,215)	31,996,746
Computers and peripherals	44,317,071	1,694,173	985,993	45,025,251	1,972,350	1,764,630	—	45,232,971
Office equipment	26,187,249	2,373,651	1,260,797	27,300,103	2,613,133	1,410,559	(203)	28,502,474
Vehicles	24,312,454	2,438,944	3,874,653	22,876,745	—	40,750	—	22,835,995
Total	488,590,546	17,010,493	16,630,487	488,970,552	20,186,850	8,803,827	(51,323)	500,302,252

Depreciation	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	Other adjust- ment	As at 31 March 2013
Office buildings	4,829,081	5,588,444	—	10,417,525	5,588,444	—	—	16,005,969
Leasehold improvements	3,970,423	796,695	—	4,767,118	1,953,806	(370,399)	—	7,091,323
Plant & Machinery	—	—	—	—	28,705	—	—	28,705
Furniture and fixtures	21,342,525	10,003,432	6,592,999	24,752,958	4,749,895	4,611,651	—	24,891,202
Computers and peripherals	26,963,585	6,474,491	895,365	32,542,711	5,629,193	1,764,630	—	36,407,274
Office equipment	4,834,248	1,769,922	314,904	6,289,266	1,558,101	351,296	—	7,496,071
Vehicles	5,898,748	2,214,578	2,329,560	5,783,766	2,165,523	20,669	—	7,928,620
Total	67,838,610	26,847,562	10,132,828	84,553,344	21,673,667	6,377,847	—	99,849,164

Carrying amounts				As at 31 March 2012				As at 31 March 2013
Office buildings				332,431,714				326,843,270
Leasehold improvements				9,678,943				16,712,738
Plant & Machinery				—				5,052,061
Furniture and fixtures				11,720,195				7,105,544
Computers and peripherals				12,482,540				8,825,697
Office equipment				21,010,837				21,006,403
Vehicles				17,092,979				14,907,375
Total				404,417,208				400,453,088

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Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.12 Intangible assets

Cost	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	Other adjust- ment	As at 31 March 2013
Computer software	34,667,157	—	96,224	34,570,933	1,256,700	9,892,411	—	25,935,222
Painting and sculpture	257,840	81,000	—	338,840	—	—	—	338,840
Goodwill	237,600	—	—	237,600	—	—	—	237,600
Total	35,162,597	81,000	96,224	35,147,373	1,256,700	9,892,411	—	26,511,662

Amortisation	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	Additions	Deletions	Other adjust- ment	As at 31 March 2013
Computer software	13,731,620	5,519,147	70,136	19,180,631	3,567,220	7,442,734	—	15,305,117
Painting and sculpture	69,752	28,019	—	97,771	33,792	—	—	131,563
Goodwill	—	—	—	—	—	—	—	—
Total	13,801,372	5,547,166	70,136	19,278,402	3,601,012	7,442,734	—	15,436,680

Carrying amounts				As at 31 March 2012				As at 31 March 2013
Computer software				15,390,302				10,630,105
Painting and sculpture				241,069				207,277
Goodwill				237,600				237,600
Total				15,868,971				11,074,982

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Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

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

Particulars	As at	
	31 March 2013	31 March 2012
(A) Quoted equity shares		
Indo Korea Exports Limited 389,600 (previous year 389,600) equity shares of Rs.10 fully paid up	3,896,000	3,896,000
Ritesh Polyster Limited 34,600 (previous year 34,600) equity shares of Rs.10 fully paid up	523,860	523,860
Ecoplast India Limited 2,500 (previous year 2,500) equity shares of Rs.10 fully paid up	20,000	20,000
Saint Gobain Sekurit India Limited 104,845 (previous year Nil) equity share of Rs. 10 fully paid up	5,593,530	—
Kwality Dairy india Limited 671,428 (previous year Nil) equity share of Rs. 1 fully paid up	22,053,089	—
Vantech Industries Limited 3,000 (previous year 3,000) equity shares of Rs.10 fully paid up	30,000	30,000
Total	32,116,479	4,469,860
Less : Provision for diminution in value of investment	4,469,860	4,469,860
Net Total (i)	27,646,619	—
Investment in mutual funds (Quoted)		
Principal Cash Management Fund-Growth Nil (previous year 502,409 units, Rs. 1,000 per unit)	—	737,396
Total (ii)	—	737,396
(B) Unquoted equity shares		
Dijit Prognosys Private Limited 3,000 (previous year 3,000) equity shares of Rs. 100 fully paid up	300,000	300,000
Network 1 Media Consultant Pvt. Ltd. 7,844 (previous year 7,844) equity shares of Rs. 10 fully paid up	3,000,000	3,000,000
New Horizons India Limited 4,00,000 (previous year 4,00,000) equity shares of Rs. 10 fully paid up	20,000,000	20,000,000
Total	23,300,000	23,300,000
Less : Provision for diminution in value of investment	300,000	300,000
Net Total (iii)	23,000,000	23,000,000
Total (i + ii + iii)	50,646,619	23,737,396

Particulars	As at	
	31 March 2013	31 March 2012
Aggregate book value of quoted investments	27,646,619	—
Market value of quoted investments	22,331,050	82,500
Aggregate book value of unquoted investments	23,000,000	23,000,000
Aggregate net asset value of investment in units of mutual funds	—	838,253

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

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

Particulars	As at	
	31 March 2013	31 March 2012
Capital advances	1,781,189	485,139
Security deposits	5,144,952	57,819,834
Rental Deposits	3,637,000	11,708,014
Security deposits - Stock Exchange	49,425,000	2,375,000
Loans to employees	1,835,000	378,000
Inter corporate deposit	—	12,500,000
Prepaid expenses	1,845,210	2,620,664
Advance income-tax [Net of provision of Rs. 117,744,739 (previous year Rs. 85,844,739)]	130,816,506	82,358,442
Loans to Body Corporate	—	28,750,000
Total	194,484,857	198,995,093

2.15 Other non-current assets

Particulars	As at	
	31 March 2013	31 March 2012
Long-term deposits with maturity of more than 12 months *	46,440,995	39,283,339
Total	46,440,995	39,283,339

* Long-term deposits with maturity of more than 12 months includes :

- Rs. 1,500,000 (previous year Rs. Nil) being deposit made with the banks as margin money for obtaining bank guarantees submitted with stock exchanges.
- Rs. 5,100,000 (previous year Rs. 2,800,000) earmarked by the management for the settlement of certain liabilities.
- Rs. 5,000,000 (previous year Rs. 5,000,000) made with banks as margin money for obtaining bank guarantees submitted with commodity exchange.
- Rs. 7,334,327 (previous year Rs. 5,288,319) which is marked lien with IRDA.

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Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.16 Inventories

Particulars	As at	
	31 March 2013	31 March 2012
Equity shares - quoted	37,856,979	41,392,842
Corporate, Central Government and State Government bonds	294,457,670	237,683,790
Spectacles & Consumables	164,231	—
Total	332,478,880	279,076,632

Break-up of Inventories held as at 31 March 2013 is as follows :

Particulars	Amount
Equity shares	
Andhra Pradesh Paper Mills Limited	9,577,813
Fairfield Atlas Limited	11,956,981
Linde India Limited (formerly BOC India Limited)	15,346,435
Indiabulls Power Limited	409,000
Unity Infraprojects Limited	130,419
Other Shares	436,331
Bonds	
8.70% Rural Electrification corporation 2018	115,431,400
8.85% Allahabad Bank 2016	21,039,900
9.98% Industrial financial coporation of India Limited 2030	30,371,505
8.94% Power Finance Corporation of India	5,000,500
9.65% West Bengal State Electricity Distribution Company Limited	6,000,600
8.91% Power Finance Corporation Ltd. 2017	71,110,500
9.10% PNB Housing Finance	45,484,065
Other bonds	19,200
Spectacles	27,474
Consumables	136,757
Total	332,478,880

Break-up of Inventories held as at 31 March 2012 is as follows :

Particulars	Amount
Equity shares	
Tata Investment Corporation Limited	1,968,685
Elder Pharmaceuticals Limited	5,531,230
Akzo Nobel India Limited	3,011,319
Astrazeneca Pharma India Limited	2,622,231
Fresenius Kabi Oncology Limited	2,278,500
Lloyds Steel Industries	936,000
Monsanto India Limited	1,105,342
Omkar Speciality Chemicals Ltd	20,096,804
Techpro Systems Limited	340,000
Thomas Cook India	3,070,000
Other shares	432,731
Bonds	
9.65% Krishna Bhagya Jala Nigam Limited	56,000,000
10.85% West Bengal State Electricity Distribution Company Limited	9,992,000
8.20% Hudco Tax Free 2027	95,830,000
10.85% West Bengal State Elect. Distt co. Ltd. 2026	29,976,000
11.30% IDBI 2018	6,540,000
8.83% GOI	35,402,500
Other bonds	3,943,290
Total	279,076,632

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.17 Trade receivables

Particulars	As at	
	31 March 2013	31 March 2012
Secured, considered good		
Other debts	69,110,480	60,549,079
Total (a)	69,110,480	60,549,079
Unsecured, considered good		
Outstanding for more than six months	28,726,535	4,548,140
Other debts	86,473,996	128,386,427
Total (b)	115,200,531	132,934,567
Unsecured, considered doubtful		
Outstanding for more than six months	22,486,753	27,383,504
Less : Provision for doubtful debts	22,486,753	27,383,504
Total (c)	—	—
Total (a+b+c)	184,311,011	193,483,646

2.18 Cash and bank balances

Particulars	As at	
	31 March 2013	31 March 2012
Cash and cash equivalents		
Cash in hand	1,861,876	1,761,370
Cheques/drafts in hand	3,059,745	30,188,853
Balances with banks in current accounts	174,650,539	309,121,287
Deposits with maturity of less than 3 months	4,350,000	1,500,000
	183,922,160	342,571,510
Other bank balances		
Unpaid dividend account (not available for use of the company)	1,615,620	2,186,922
Total	185,537,780	344,758,432

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Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

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

Particulars	As at	
	31 March 2013	31 March 2012
Loans to body corporate		
Secured	71,260,400	131,347,816
Security deposits - Stock Exchange	8,425,000	16,925,000
Security deposits - others	8,408,956	41,866,666
Security deposits - considered doubtful	—	380,000
Security deposits - rentals	42,703,614	615,966
Loans to employees	2,843,555	1,759,347
Balance with statutory / government authorities	4,644,062	2,449,604
Prepaid expenses	9,024,356	8,741,401
Advance income-tax	4,986,177	9,498,520
[Net of provision of Rs. 46,174,227 (previous year Rs. 35,332,596)]		
Deposit with a Company	200,065,925	—
Loans and advances to related parties	—	58,600,000
Advances for rendering services	4,906,402	8,699,960
Amount held under trust	—	772,699
Loan and advances to others	85,485	41,910
Other Recoverable	155,290	918,113
Total	357,509,222	282,617,002
Less : Provision for doubtful security deposits	—	380,000
Total	357,509,222	282,237,002

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

Particulars	As at	
	31 March 2013	31 March 2012
Unsecured considered good, unless otherwise stated		
Deposits with maturity of more than 3 months but less than 12 months *	114,980,121	106,628,648
Interest accrued on fixed deposits	1,801,235	2,724,494
Interest accrued on bonds / securities	7,967,792	2,542,263
Interest accrued on loans	9,328,494	6,999,430
Unbilled revenue	2,083,582	2,013,847
Total	136,161,224	120,908,682

* Bank deposits with maturity of more than 3 month includes :

- Rs. 78,000,000 (previous year Rs. 73,000,000) being deposit with the banks as margin money for bank guarantees submitted with stock exchanges.
- Rs. 1,200,000 (previous year Rs. 9,000,000) earmarked by the management for the settlement of certain liabilities.
- Rs. 6,800,000 (previous year - Nil) being deposit made with HDFC bank for obtaining overdraft facility.
- Rs. 1,000,000 being deposits pledged with stock exchanges.

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.21 Revenue from operations

Particulars	For the year ended	
	31 March 2013	31 March 2012
Revenue from operations		
Advisory and consultancy fees	105,812,901	176,426,750
Sale from spectacles	20,761	—
Broking activities	819,230,142	762,203,165
Interest income on loan	38,862,579	50,818,306
Net gain/(loss) in trading of securities/bonds	36,267,402	53,136,531
Profit/(Loss) on derivatives	(31,866,285)	3,886,069
Net gain/(loss) in trading of shares	7,759,158	1,993,559
Other operating income	40,685,497	24,556,472
Others	333,021	370,555
Total	1,017,105,176	1,073,391,407

2.21 (a) The following is the summary of net results in trading of bonds :

Particulars	For the year ended	
	31 March 2013	31 March 2012
Trading of securities/bonds		
Opening stock of securities	237,683,790	340,307,592
Add : Cost of securities purchased	6,803,575,564	7,598,243,775
	7,041,259,354	7,938,551,367
Less : Closing stock of securities	294,457,670	237,683,790
	6,746,801,684	7,700,867,577
Cost of securities sold	6,783,069,086	7,754,004,108
Less : Sale of securities		
Net gain in trading of securities/bonds	36,267,402	53,136,531

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

Particulars	For the year ended	
	31 March 2013	31 March 2012
Trading of shares		
Opening stock of shares	41,392,842	42,607,761
Add : Cost of shares purchased	394,819,502	242,086,144
	436,212,344	284,693,905
Less : Closing stock of shares	37,856,979	41,392,842
	398,355,365	243,301,063
Cost of shares sold	406,114,523	245,294,622
Less : Sale of shares		
Net gain in trading of shares	7,759,158	1,993,559

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

Particulars	For the year ended	
	31 March 2013	31 March 2012
Advertisement income	813,716	708,224
Delayed payment charges	4,943,774	11,710,212
Processing Fee & Others	68,621	1,355,007
Professional Fee	25,011,065	—
Interest on fixed deposits pledged with exchanges	9,342,870	9,577,534
Dividend income	505,451	1,205,495
Total	40,685,497	24,556,472

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.22 Other income

Particulars	For the year ended	
	31 March 2013	31 March 2012
Interest income on		
— Bank deposits	6,163,101	6,295,177
— Others	2,494,249	2,623,280
Net gain on sale of investments	125,531	—
Rent received	834,820	326,000
Excess provision no longer required written back	6,445,900	1,566,059
Provision for doubtful debts written back	20,854,857	2,577,000
Liabilities no longer required written back	6,369,672	969,355
Bad debts recovered	46,691	410,883
Foreign exchange fluctuation gain	429,943	638,573
Miscellaneous income	564,863	887,097
Dividend Others	—	5,457
Total	44,329,627	16,298,881

¹ Includes interest on loan to associates and deposits with body corporate.

2.23 Employee benefit expense

Particulars	For the year ended	
	31 March 2013	31 March 2012
Salaries, wages and bonus	452,379,069	501,410,383
Contribution to provident and other funds	16,905,707	15,419,281
Gratuity and leave encashment (refer to note 2.28)	4,891,353	4,358,653
Staff welfare expense	9,682,135	10,211,889
Leave Encashment	1,773,660	(556,687)
Recruitment Expenses	863,152	495,367
Total	486,495,076	531,338,886

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

2.24 Finance cost

Particulars	For the year ended	
	31 March 2013	31 March 2012
Interest expense	39,458,808	39,377,621
Other borrowing cost	1,083,623	142,672
Total	40,542,431	39,520,293

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.25 Other expenses

Particulars	For the year ended	
	31 March 2013	31 March 2012
Commission and brokerage	139,422,687	174,830,810
Professional charges	23,030,591	37,893,402
Rent	38,119,472	45,889,654
Travelling and conveyance expenses	46,798,348	35,166,912
Communication expenses	20,300,809	23,638,018
Legal and professional charge ¹	50,061,597	28,730,546
Business promotion expense	11,191,456	11,815,043
Advance/debit balances written off	118,380	15,874,015
Provision for doubtful debts	14,740,286	23,953,571
Bad debts written off	22,754,816	7,615,406
Provision for doubtful security deposits	—	380,000
Bad and doubtful advances provision	—	165,059
Electricity, generator and water charges	9,412,822	10,493,732
Repair and maintenance:		
— Computer maintenance	4,960,274	8,064,104
— Office maintenance	8,276,910	8,603,621
— Vehicle repair and maintenance	5,492,662	3,411,655
Advertisement expenses	10,900	—
Insurance charges	8,246,522	3,810,827
Fixed assets written off	3,018,042	3,899,191
Loss on Sale of Investment	286,140	—
Loss on sale of fixed assets (net)	1,374,666	1,138,087
Rates and taxes	3,210,343	3,219,715
Printing and stationery	7,163,775	6,346,722
Bank charges	2,805,258	3,584,011
Charity and donations	1,503,301	2,053,701
Loss on error trades	—	1,287,430
SEBI and stock exchange fee and charges	1,004,885	1,270,374
Membership and subscription	2,800,461	1,919,663
Interest on tax deducted at source	164,477	60,913
Contingent Provision on Standard Assets	103,100	564,242
Consumables	197,602	—
Miscellaneous expenses	1,887,516	2,137,938
	428,458,098	467,818,362
Less : Recovery of expenses	(257,316)	(1,243,257)
Net total	428,200,782	466,575,105

¹ **Auditor's remuneration (excluding service tax)**

Particulars	For the year ended	
	31 March 2013	31 March 2012
Statutory Auditors		
Audit fee	6,41,250	2,290,000
Tax Audit Fee	17,500	—
Others	178,781	95,000
Out of pocket expenses	—	170,343
Total	837,531	2,555,343

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.26 Prior period items

Particulars	For the year ended	
	31 March 2013	31 March 2012
Income		
Brokerage and commission	5,485,441	—
Profit on Foreign Exchange Difference	102,840	—
Interest on deposit with banks	73,713	—
Other Income	26,135	—
Interest earned on securities	—	29,075
	5,688,129	29,075
Expenses		
Brokerage and commission	3,384	—
Legal and professional charges	44,503	120,435
Communication expenses	172,678	—
Lease rental	127,808	—
Miscellaneous expenses	14,114	—
Others	517	7,895
	363,004	128,330
Prior period expense (net)	(5,325,125)	99,255

2.27 Earnings per share

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

Particulars		For the year ended	
		31 March 2013	31 March 2012
Net profit/(loss) after tax available for equity shareholders	(A)	29,279,254	(13,917,612)
Weighted average number of equity shares for Basic EPS (Face value of Rs.6 each)	(B)	25,844,967	25,730,603
Add: Weighted average number of potential equity shares that could arise on conversion of employee stock option granted		—	—
Weighted average number of equity shares for diluted EPS (Face value of Rs.6 each)	(C)	25,844,967	25,730,603
Basic EPS	(A/B)	1.13	(0.53)
Diluted EPS	(A/C)	1.13	(0.53)

2.28 Disclosures required under AS-15-Employee Benefits

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

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Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

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

Particulars	Gratuity	
	For the year ended	
	31 March 2013	31 March 2012
Opening defined benefit obligation	25,756,439	22,958,415
Interest cost	2,045,849	1,896,006
Current service cost	6,668,234	7,917,539
Past service cost (Vested benefits)	—	—
Past service cost (Non vested benefits)	(9,355)	(18,709)
Benefits paid	(4,56,845)	(2,925,285)
Actuarial (gain)/loss on obligation	(4,958,372)	(3,978,012)
Actuarial (gain)/loss due to assumption	(2,92,293)	(93,515)
Closing defined benefit obligation	28,753,657	25,756,439

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

Particulars	Gratuity	
	For the year ended	
	31 March 2013	31 March 2012
Opening fair value of plan assets	19,304,922	15,648,845
Expected return	1,765,481	1,291,030
Contributions by employer	—	5,150,000
Benefits paid	—	(2,925,285)
Actuarial gain / (losses)	(2,960,178)	140,332
Closing fair value of plan assets	18,110,225	19,304,922

iii) Statement of Profit and Loss

Particulars	Gratuity	
	For the year ended	
	31 March 2013	31 March 2012
Current service cost	6,668,234	7,917,539
Interest cost	2,045,849	1,896,006
Expected return on plan assets	(1,765,481)	(1,291,030)
Past service cost (Vested benefits)	—	—
Past service cost (Non vested benefits)	9,355	9,355
Actuarial (gain) / loss	(2,097,413)	(4,211,860)
Net benefit expense	4,860,544	4,320,010

iv) Balance sheet

Particulars	Gratuity	
	For the year ended	
	31 March 2013	31 March 2012
Defined benefit obligation	28,753,657	25,756,438
Fair value of plan assets	18,110,225	19,304,922
Plan (Liability) / Asset	(10,643,432)	(6,451,516)

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

v) Principal Actuarial Assumptions are as follows :

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2012
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.20%	8.50%	8.20%	8.50%
Expected rate of return on plan assets	9.00%	8.50%	—	—
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years of age	1%*	1%*	5%	5%
Above 30 years but up to 44 years of age	1%*	1%*	3%	3%
Above 44 years of age	1%*	1%*	1%	1%

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

* Withdrawal Rates 1% at each age and service related

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

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

Gratuity	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Defined benefit obligation	28,753,657	25,756,439	22,930,350	13,024,941	11,114,198
Fair value of plan assets	18,110,225	19,304,922	15,648,845	10,028,005	7,129,251
Surplus / (Deficit)	(10,643,432)	(6,451,516)	(7,281,505)	(2,996,936)	(2,307,838)
Experience adjustment in plan liabilities (Gain) / Loss	(5,639,879)	(3,421,115)	793,646	(1,907,099)	(122,556)
Experience adjustment in plan assets (Gain) / Loss	2,960,178	(140,332)	(299,309)	(1,279)	—

(Intentionally left blank)

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.29 Contingent Liabilities

Particulars		As at	
		31 March 2013	31 March 2012
1	Suit filed by clients on the Company for recovery on account of unauthorised trades on stock exchanges / deficiency in services. These matters are pending before various dispute resolution authorities.	2,008,206	1,629,009
2	Suit filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	446,544	446,544
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007 and 31 March 2008. Hearing with Service Tax Appeal Department at Faridabad (Haryana) completed, order awaited.	3,221,550	3,221,550
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 till the financial year ended 31 March 2009. Reply filed with Assistant Commissioner of Service Tax M G Road, New Delhi, hearing awaited.	1,272,868	1,272,868
5	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company.	300,000,000	300,000,000
6	Corporate guarantee issued for Almondz Commodities Private Limited, a subsidiary of the Company.	50,000,000	50,000,000
7	Income-tax demand raised by assessing officer in respect of Financial year ended 31 March 2006. Hearing pending at ITAT, Loknath Bhawan, Khan Market, New Delhi.	4,054,709	4,054,709
8	Income-tax demand raised by assessing officer in respect of financial year ended 31 March 2007. Hearing pending at ITAT, Loknath Bhawan, Khan Market, New Delhi.	2,723,937	2,723,937
9	Tax deducted at sources demand raised by assessing officer in respect of financial year ended 31 March 2008.	—	3,137,010
10	TDS Demand raised by assessing officer in respect of financial year ended 31st March, 2008.	4,410,300	—
11	Bank Guarantee for performance (Secured by way of margin money in the form of bank deposit of Rs. 1,35,718/- (P.Y. Rs. 1,23,798/-)	100,000	100,000
12	Demand of service tax liability on account of short deposit of tax for the period May and June, 2003 vide their order no 50/2011 dated 28.02.2011 by Assistant Commissioner Service Tax, Range-1. Reply filed with Commissioner of Central Excise (Service Tax) M G Road, New Delhi.	419,819	—
Total		368,657,933	366,585,627

2.30 Commitments

- Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 6,105,680 (previous year Rs. NIL).
- Almondz Insurance Broking Private Limited (AIBPL) has made a commitment towards intangible assets under development (net of advance) of Rs. 520,580 (previous year 1,710,000).

2.31 In relation to two of the merchant banking assignments executed by the Company, Securities Exchange Board of India ('SEBI') had passed an ex parte ad-interim order prohibiting the Company from taking up any new merchant banking assignments or involvement in any issue of capital including initial public offerings, follow-on issue and etcetera from the securities market. The ex-parte ad interim order was later on confirmed by SEBI and show cause notices under regulations of SEBI (Intermediaries) Regulations, 2008 and under various sections of SEBI ACT were issued. The Company has filed its response with the SEBI and the matter is under SEBI's consideration. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained and therefore, no provisions for any liabilities or any other adjustments that might be required has not been recognised in the financial statements.

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

2.32 Details of income and expenditure in foreign currency:

Income earned in foreign currency

S. No.	Particulars	For the year ended	
		31 March 2013	31 March 2012
1	Brokerage	—	90,016,421
2	Consultancy fee	148,231,609	23,846,268
	Total	148,231,609	113,862,689

Expenditure incurred in foreign currency

S. No.	Particulars	For the year ended	
		31 March 2012	31 March 2011
1	Travelling expenses	3,519,136	2,494,435
2	Books and periodicals expenses	—	21,095
3	Legal and professional charges	2,327,832	—
4	Staff Training & conference expenses	107,385	—
5	Bank charges	29,728	41,119
6	Reinsured expenses	—	30,695
7	Director sitting fee	20,000	20,000
	Total	6,004,081	2,607,344

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

Number of		Amount remitted for the previous year ended	
Shareholders	Equity shares	31 March 2012	31 March 2011 ¹
1	3,091,500	—	1,298,430

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

2.33 Related Party Disclosures

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

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

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

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

Innovative Money Matters Private Limited (IMMPL)
Rinku Sobti Fashions (P) Limited (RSFPL)

(iii) Key Managerial Personnel

Mr. Vinay Mehta
Mr. Navjeet Singh Sobti
Mr. Jagdeep Singh
Mr. Rohit Jain
Mr. Salil Ranjan Das
Mr. Govind Prasad Agrawal
Mr. Rajiv Braham Agarwal
Dr. P. S. Pritam (Resigned on 06/04/2012)

Mr. Vinit Vidyarthi (Appointed w.e.f. 08/02/2013)
Mr. Surinder Kumar Sood (Appointed w.e.f. 05/11/2012)
Mr. Atul Vijay Singh
(Resigned as director on 01/01/2012 and appointed as C.E.O on 01/01/2012)
Mr. Vijay K Suri

(iv) Relative of Key Managerial Personnel

Mrs. Bulbul Dhir Mehta
Mrs. Gurpreet N. S. Sobti
Mrs. Anu Jain
Mrs. Veena Jain
Navjeet Singh Sobti (HUF)
Jagdeep Singh (HUF)
R. C. Jain & Sons (HUF)
Rohit Jain (HUF)
Mr. R.C. Jain
Ms. Ritu Jain
Mr. Surinderjeet Singh
Ms. Bimla Kaur
Mr. Manpreet Singh
Mrs. Parmeet Kaur

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

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

For the year ended 31 March 2013

1. Transactions with investing parties in respect of which the Company is an associate and Key Managerial Personnel

Particulars	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh	Govind Prasad Agrawal	Rohit Jain	Rajiv Agarwal	Salil Ranjan Dass	Atul Vijay Singh	Vinit Vidyarthi	Vijay K. Suri
Income											
Interest received	2,053,647	—	—	—	—	—	—	—	—	—	—
Reimbursable expenses	—	—	—	—	—	—	—	—	—	—	—
Recovery of expenses	—	—	—	—	—	—	—	—	—	—	—
Brokerage received	2,475,555	13,294	—	25,873	—	—	—	—	—	—	—
Delay payment charges received on broking activities	431	—	—	—	—	—	—	—	—	—	—
Depository charges received on broking activities	5,039	618	187	485	—	—	—	—	—	—	—
Expenditure											
Purchase of bonds	—	—	—	—	—	—	—	—	—	—	—
Remuneration	—	7,255,464	7,544,524	4,841,675	—	2,810,856	15,528,130	—	13,789,606	385,526	5,220,600
Rent paid	—	—	—	—	—	—	—	—	—	—	—
Director sitting fee	—	—	20,000	24,000	24,000	—	—	—	—	—	—
Dividend paid	—	—	—	—	—	—	—	—	—	—	—
Interest paid	104,440	—	—	—	—	—	—	—	—	—	—
Assets / Liabilities											
Loan taken	40,200,000	—	—	—	—	—	—	—	—	—	—
Repayment of loan taken	40,200,000	—	—	—	—	—	—	—	—	—	—
Loan granted	78,200,000	—	—	—	—	—	—	—	—	—	—
Repayment of loan granted	136,800,000	—	—	—	—	—	—	—	—	—	—
Closing balances											
Short-term loans and advances (Loan given)	—	—	—	—	—	—	—	—	—	—	—
Trade payable	—	—	—	26,579	—	—	—	—	—	—	—
Trade receivable	111,395	—	—	—	—	—	—	—	—	—	—
Short-term loans and advances (Interest receivable)	—	—	—	—	—	—	—	—	—	—	—
Employees stock option exercised during the year	—	—	—	—	—	—	—	—	—	—	—
Employee stock option outstanding	—	—	—	—	—	—	—	—	—	—	—

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

- 2 (i) Transactions with enterprises over which Key Managerial personnel are able to exercise significant influence and relatives of Key Managerial Personnel

Particulars	IMMPL	RSFPL	Navjeet Singh Sobti (HUF)	Bulbul Dhir Mehta	Gurpreet N.S. Sobti	Jagdeep Singh (HUF)	Surinderjit Singh	Bimla Kaur	Manpreet Singh
Income									
Sale of shares / securities	—	—	—	—	—	—	—	—	—
Brokerage received	6,583	—	—	3,609	—	370	10	10	21,133
Delay payment charges received on broking activities	—	—	—	—	—	—	—	—	—
Depository charges received on broking activities	1,030	—	—	277	—	261	215	215	1,081
Expenditure									
Rent paid	—	1,553,952	—	—	3,600,000	—	—	—	—
Loans and advances to others	—	—	—	—	—	—	—	—	—
Closing balances									
Trade receivable	—	—	—	—	—	—	—	—	—
Short-term loans and advances	—	1,032,000	—	—	—	—	—	—	—
Trade payables	—	—	—	—	—	—	—	—	16,673

- (ii) Transactions with enterprises over which Key Managerial Personnel are able to exercise significant influence and relatives of Key Managerial Personnel

Particulars	R.C. Jain	R.C. Jain & Sons (HUF)	Rohit Jain (HUF)	Veena Jain	Anu Jain	Ritu Jain	Parmeet Kaur
Income							
Brokerage received	—	—	—	—	—	—	636
Depository charges received on broking activities	—	—	—	—	—	—	289
Expenditure							
Rent paid	—	—	—	—	—	—	—
Loans and advances to others	—	—	—	—	—	—	—
Closing balances							
Trade receivable	—	—	—	—	—	—	—
Short-term loans and advances	—	—	—	—	—	—	—
Trade payables	—	—	—	—	—	—	37,589

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

For the year ended 31 March 2012

3. Transactions with investing parties in respect of which the Company is an associate and key managerial personnel

Particulars	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh	Govind Prasad Agrawal	Rohit Jain	Rajiv Agarwal	Salil Ranjan Dass	Atul Vijay Singh
Income									
Interest received	2,546,383	—	—	—	—	—	—	—	—
Reimbursable expenses	16,900	—	—	—	—	—	—	—	—
Recovery of expenses	9,151	—	—	—	—	—	—	—	—
Brokerage received	3,694,185	104,778	—	38,417	—	—	—	—	—
Delay payment charges received on broking activities	—	—	7	43	—	—	—	—	—
Depository charges received on broking activities	—	252	32	653	—	—	—	—	—
Expenditure									
Purchase of bonds	3,491,916	—	—	—	—	—	—	—	—
Remuneration	—	8,286,300	10,439,159	4,841,072	—	2,771,256	10,804,848	1,655,150	10,079,999
Rent paid	137,875	—	—	—	—	—	—	—	—
Director sitting fee	—	—	5,000	18,000	24,000	—	—	—	—
Dividend paid	—	—	—	—	—	712,500	—	—	—
Interest paid	835,036	—	—	—	—	—	—	—	—
Assets / Liabilities									
Loan taken	78,450,000	—	—	—	—	—	—	—	—
Repayment of loan taken	109,700,000	—	—	—	—	—	—	—	—
Loan granted	118,400,000	—	—	—	—	—	—	—	—
Repayment of loan granted	159,800,000	—	—	—	—	—	—	—	—
Closing balances									
Short-term loans and advances (Loan given)	58,600,000	—	—	—	—	—	—	—	—
Trade payable	3,965,285	—	—	208	—	—	—	—	—
Short-term loans and advances (Interest receivable)	2,131,804	—	—	—	—	—	—	—	—
Employees stock option exercised during the year	—	—	200,000	—	—	—	—	—	—
Employee stock option outstanding	—	1,000,000	525,000	—	—	—	—	—	—

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

- 4 (i) Transactions with enterprises over which Key Managerial personnel are able to exercise significant influence and relatives of Key Managerial Personnel

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

- (ii) Transactions with enterprises over which Key Managerial Personnel are able to exercise significant influence and relatives of Key Managerial Personnel

Particulars	R.C. Jain	R.C. Jain & Sons (HUF)	Rohit Jain (HUF)	Veena Jain	Anu Jain	Ritu Jain
Expenditure						
Dividend paid	337,500	450,000	600,000	1,135,000	750,000	425,000
Interest paid	—	—	—	—	—	—
Asset sold during the year	—	—	600,000	—	—	—
Loans and advances to others	—	—	—	—	—	—
Closing balances						
Trade receivables	—	—	—	—	—	—
Short-term loans and advances	—	—	—	—	—	—
Trade payables	—	—	—	—	—	—

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(Amounts in Indian rupees)

2.34 Segment Reporting

For the year ended 31 March 2013

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Financial activities	Commodity broking operation	Insurance broking operation	Others	Un-allocable	Total
Segment Revenue										
Segment Revenue	13,334,143	223,719,779	124,032,517	65,801,329	38,931,200	19,804,660	530,835,928	645,620	—	1,017,105,176
Segment Results										
Segment Results	(23,249,926)	76,554,749	24,892,420	(5,666,254)	37,611,201	1,247,032	100,799,532	(195,308)	—	211,993,446
Unallocable expenses (net)	—	—	—	—	—	—	—	—	—	95,540,398
Less : Interest expenses	—	—	—	—	—	—	—	—	—	30,206,088
Profit / (Loss) before tax	—	—	—	—	—	—	—	—	—	86,246,960
Less : Provision for tax for the Year	—	—	—	—	—	—	—	—	—	26,494,691
Less : Prior period tax	—	—	—	—	—	—	—	—	—	2,888,719
Net Profit / (Loss) after tax	—	—	—	—	—	—	—	—	—	56,863,550
Other Information										
Segmental assets	382,510,869	76,411,232	69,303,504	280,209,104	267,359,666	444,24,770	2,19,849,361	7,063,888	563,130,983	1,910,263,377
Segmental liabilities	185,459,139	10,438,736	20,098,326	78,126,296	1,659,686	32,688,047	81,108,640	1,548,314	245,693,478	656,820,662
Capital expenditure	—	—	1,478,132	249,787	—	—	5,614,413	6,230,869	7,600,349	2,173,550
Depreciation	114,549	114,549	239,592	1,836,820	—	287,603	1,661,082	70,747	20,949,737	25,274,679
Non cash expenditure other than depreciation (net of non-cash income)	—	20,571,358	(150,295)	3,552,239	—	(110,585)	21,074,692	—	6,745,869	51,683,278

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

For the year ended 31 March 2012

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Financial activities	Commodity broking operation	Insurance broking operation	Unallocable	Total
Segment Revenue									
Segment Revenue	61,203,147	219,357,789	196,743,565	112,128,061	52,173,313	32,253,540	412,678,010	—	1,086,537,425
Segment Results									
Segment Results	35,390,187	70,640,330	11,166,730	(40,945,389)	33,731,095	2,692,443	47,846,949	—	160,522,345
Unallocable expenses (net)	—	—	—	—	—	—	—	—	109,395,195
Less : Interest expenses	—	—	—	—	—	—	—	—	31,365,131
Profit / (Loss) before tax	—	—	—	—	—	—	—	—	19,762,019
Less : Provision for tax for the Year									17,241,111
Less : Prior period tax	—	—	—	—	—	—	—	—	353,477
Net Profit / (Loss) after tax	—	—	—	—	—	—	—	—	2,167,431
Other Information									
Segmental assets	315,594,251	54,606,418	115,895,953	282,639,714	332,079,039	72,344,488	168,464,261	804,631,415	2,146,255,539
Segmental liabilities	125,017,912	6,864,683	62,164,774	96,946,937	7,461,962	59,678,685	86,834,276	275,504,291	720,473,520
Capital expenditure	—	—	—	11,809,576	—	—	—	345,948,788	357,758,364
Depreciation	—	—	—	11,416,513	—	—	—	15,780,567	27,197,080
Non cash expenditure other than depreciation (net of non-cash income)	—	7,299,825	(261,702)	6,399,156	—	—	—	6,199,978	19,637,257

2.35 Notes :

(I) **Business Segments** : The entity's business segments have been classified as above. This business segregation forms the basis for review of operating performance by the management. The following are the business segments identified by the management :

- **Debt and Equity Market operations** comprises dealing/trading in securities and bonds which involves exposure to market risk.
- **Corporate finance and advisory** comprises merchant banking, underwriting commission, corporate and infrastructure advisory and loan syndication fees and arranger of debts/bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Distribution activities** comprises broking and commission of mutual funds, equity initial public offerings, capital gain bonds, fixed deposits of government undertakings and RBI taxable bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Equity Broking division activity** comprises stock and share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
- **Commodity broking** operations primarily involves vacillating trades by customers in the various commodity exchanges in the country.
- **Financial Activities** comprises granting of loans to corporate in India.
- **Insurance Broking Operations** involve facilitating customer in obtaining insurance policies from insurance companies in India.
- **Others** involves the business which are not reportable segment during the year, which mainly comprises of healthcare services.

Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

(II) The shareholders of the Company approved transfer or otherwise disposal of the Company's undertakings comprising debt arrangement operations, portfolio management services and wholesale debt market operations to Almondz Finanz Limited, a 100% subsidiary of the Company. However, the procedural formalities for implementing the approval granted by the shareholders have not yet been finalised. The Board has decided not to proceed further in the matter for the time being.

(III) Accounting policies for segment reporting

- Segments are identified by the management, keeping in view the dominant source and nature of risks and returns and the internal organisation and management structure.
- Revenue and expenses have been identified to a segment on the basis of relationship to the operating activities of the segment.
- Revenue and expenses, which relate to the company as a whole and are not allocable to a segment on reasonable basis, have been disclosed as 'unallocable'.
- Segment assets and liabilities represent assets and liabilities in respective segments. Tax related assets, and other assets and liabilities that are not reported or cannot be allocated to a segment on a reasonable basis, have been disclosed as 'unallocable'

2.36 Operating lease obligations

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

Particulars	For the year ended	
	31 March 2013	31 March 2012
Lease payments for the year	52,866,283	58,067,546
Minimum Lease payments due :		
Not later than one year	16,321,081	11,573,611
Later than one year but not later than five years	30,447,275	19,534,726
Later than five years	1,932,598	3,849,524

As per our report of even date attached.

For AVK & Associates
Chartered Accountants
Firm Registration No. 002638N

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

Parul Gupta
Partner
Membership No. : 095539

Ajay Pratap
Company Secretary

Govind Prasad Agrawal
Chief Finance Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Date : 27 May, 2013
Place : New Delhi

Date : 27 May, 2013
Place : New Delhi

ALMONDZ GLOBAL SECURITIES LIMITED
(Consolidated financial statements) Financial year ended 31 March 2013

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

(Currency : Indian rupees in lacs)

Name of the Subsidiary Company	Almondz Commodities Private Limited	Almondz Finanz Limited	Almondz Debt Advisors Limited	Almondz Retail Equity Limited	Almondz Insurance Brokers Private Limited	Almondz Re-Insurance Brokers Private Limited	Skiffle Healthcare Services Limited
Total issued Equity Share Capital of the Subsidiary Company	175.00	2,000.00	5.00	5.00	180.00	200.00	10.00
Reserves of the Subsidiary	(57.63)	229.11	(2.82)	0.40	608.65	598.74	(6.09)
Total Assets of the Subsidiary	444.25	6,956.02	2.26	5.55	1,431.93	1,172.10	70.64
Total Liabilities of the Subsidiary	326.88	4,726.91	0.08	0.15	643.28	373.36	66.73
Investments (other than in subsidiary companies)	—	476.47	—	—	—	—	—
Total Turnover	202.01	707.08	—	0.46	3,458.65	1,878.67	7.22
Profit / (Loss) before taxation	(9.60)	15.69	(0.28)	0.35	370.50	486.40	(5.17)
Provision for taxation (including Deferred Tax and Fringe Benefit tax)	(0.31)	7.34	—	0.09	121.86	163.94	0.92
Profit / (Loss) after taxation	(9.29)	8.35	(0.28)	0.26	248.64	322.46	(6.09)
Proposed dividend	—	—	—	—	—	—	—

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

Ajay Pratap
Company Secretary

Govind Prasad Agrawal
Chief Financial Officer

Vinay Mehta
Managing Director

Jagdeep Singh
Wholetime Director

Date : 27 May, 2013
Place : New Delhi



PROXY FORM

ALMONDZ GLOBAL SECURITIES LIMITED

Regd. Office : 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001

Regd. Folio No.....

I / We.....
of.....in the district of.....
being a member/members of the above named company, hereby appoint.....
of.....in the district of.....
or failing him/her.....
of.....in the district of.....
as my / our proxy to vote for me / us on my / our behalf at the 19th Annual General Meeting of the Company to be held on Monday, the 23rd day of September, 2013 at 12.00 Noon and at any adjournment thereof.

Signed this.....day of.....2013

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

Signature(s).....

Address.....

Affix a
Revenue
Stamp of
Re. 1/-

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office at 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001 not less than 48 hours before the meeting.

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



ALMONDZ GLOBAL SECURITIES LIMITED

Regd. Office : 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001

ATTENDANCE SLIP

Regd. Folio No.....

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

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

I hereby record my presence at the 19th Annual General Meeting of the Company being held on Monday, the 23rd day of September 2013 at 12.00 Noon at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054

Client I. D.No.

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

Signature of the Shareholder/Proxy

Notes :

- Members are requested to bring their copies of Annual Report to the meeting.
- 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.