

## Notice

NOTICE is hereby given that the 19th Annual General Meeting of the Members of ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED will be held on Thursday the 29th day of September 2011, at 2.00 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054, to transact the following businesses :

### ORDINARY BUSINESS :

1. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :

“RESOLVED THAT the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account of the Company for the year ended on that date, together with the Directors’ Report and the Auditors’ Report thereon as presented to the meeting, be and are hereby, approved and adopted.”

2. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Chand Krishna Tikku, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company.”

3. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :

“RESOLVED THAT the retiring Auditors M/s. H. V. & Associates, Chartered Accountants, New Delhi, whose name has been changed to H. K. Chhabra & Co., Chartered Accountants be and are hereby re-appointed as the Auditors of the Company in new name to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with the Audit Committee thereof.”

### SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 (hereinafter “the Act”) and further subject to such statutory/regulatory approvals as may be necessary, Mr. Ramesh Peer, be and is hereby, re-appointed as Managing Director of the Company for a further period of 5 years effective from July 8, 2011 upon the existing terms and conditions including remuneration as under :

#### A. Salary

- (i) Basic Salary in the scale of Rs. 42,500 – 5,000 –62,500/- per month.

- (ii) House Rent Allowance @ 50% of the Basic Salary

#### B. Perquisites

- a) Reimbursement of actual medical expenses, premia towards mediclaim policy of insurance for self and family (including dependent children and parents), as per Rules of the Company.
- b) Reimbursement of petrol expenses, one driver’s salary and running expenses of own car subject to maximum amount of Rs. 15,000/- per month.
- c) Personal Accident Insurance Premium as per the Rules of the Company.
- d) Company’s Contribution towards Provident Fund and Superannuation Fund as per the Rules of the Company.
- e) Gratuity as per the Rules of the Company.
- f) Bonus /ex gratia payments as per the Rules of the Company
- g) Leave and encashment of leave, in accordance with the Rules of the Company.
- h) Reimbursement of the Actual Corporate Relations expenses.
- i) Annual Performance Incentive as may be decided by the Board /Committee of the Board.

In addition to the above, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

#### C. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Mr. Ramesh Peer, the Company has no profits or its profits are inadequate, the Company will pay the salary and perquisites upto the limits as specified above to Mr. Ramesh Peer as the minimum remuneration as per relevant provisions of the Act read with Schedule XIII to the Act, and subject such statutory/regulatory approvals, if necessary.

“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, be and is hereby, authorized to alter or vary the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts, deeds, things in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

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

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

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

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

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

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

By Order of the Board of Directors

New Delhi  
9th August, 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN WRITING, SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement for Item Nos. 4, 5 and 6 of this Notice is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.
6. Members who hold shares in the Dematerialised form, are requested to write their Client ID and DP ID Numbers and those who hold shares in the Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. All documents referred to in the accompanying Notice shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Company is in the process of notifying the Closure of Register of Members and Share Transfer Register from 17th September 2011 to 29th September 2011 (both days inclusive).
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Members are requested to intimate the Registrar and Share Transfer Agent of the Company - M/s Beetal Financial & Computer Services (P) Ltd. "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062 , immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in Dematerialised form.
11. Re-appointment / Appointment of Directors :  
At the ensuing Annual General Meeting, Mr. Chand Krishna Tikku, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment. Mr. Chand Krishna Tikku does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.  
The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreement, are furnished in the Statement on Corporate Governance in this Annual Report.

By Order of the Board of Directors

New Delhi  
9th August, 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

## Explanatory Statement

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

### Item No. 4

The Board of Directors of the Company in its meeting held on 8th July 2006 appointed Mr. Ramesh Peer as the Managing Director of the Company for a period of five years with effect from 8th July, 2006 which was later on confirmed by the shareholders in their meeting. The present term of appointment of Mr. Ramesh Peer expires on 7th July, 2011.

In view of the contributions made by Mr. Ramesh Peer, the Board of Directors of the Company, has re appointed Mr. Ramesh Peer, as the Managing Director of the Company in its meeting held on 7th July, 2011 for a further period of five years commencing from July 8, 2011 on the terms and conditions, including remuneration, as set out in the resolution and as recommended by the Remuneration Committee of Board of Directors subject to the approval of Members of the Company

In accordance with the provisions of Part III of Schedule XIII to the Companies Act, 1956, the re-appointment and remuneration payable to Mr. Ramesh Peer, Managing Director, are subject to the approval by way of a resolution of the Members in the General Meeting. Accordingly, Mr. Ramesh Peer's re-appointment as Managing Director of the Company comes for approval of the Members of the Company at the very first General Meeting being held after his reappointment by the Board.

Your Directors recommend the resolution for your approval. The copy of Resolutions passed by Board of Directors of the Company in its meeting held on 7th July 2011 approving the re-appointment and remuneration of Mr. Ramesh Peer as Managing Director is available for inspection by the Members of the Company at its Registered Office between 11.00 AM to 1.00 PM on all working days till the date of Annual General Meeting.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract under Section 302 of the Companies Act, 1956.

Mr. Ramesh Peer is concerned and/or interested in his re-appointment as the Managing Director and the remuneration payable to him. No other Director is concerned or interested in the resolution.

### Item No. 5 & 6

Pursuant to the recent "Green Initiative in the Corporate Governance" prescribed by Ministry of Corporate Affairs, the meetings of Board/Committee thereof as well as meetings of the members of a Company may be conducted through video conferencing subject to compliance/ fulfillment of various conditions prescribed therein by the said Ministry.

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

The Board of Directors recommends the resolutions appearing under Item Nos. 5 and 6 for the members' approval in the manner as mentioned therein.

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

By Order of the Board of Directors

New Delhi  
9th August, 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

## Directors' Report

### To the Members,

The Board of Directors of your Company have pleasure in presenting the 19th Annual Report of the Company alongwith the Audited statement of accounts and the Auditor's Report for the year ended 31st March, 2011.

### FINANCIAL RESULTS

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

	(Rs. in Lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Gross Income	771.46	773.74
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>648.07</b>	475.36
Less / (Add) : Prior Period Items expenses / (income)	<b>0.28</b>	(0.76)
Less : Interest	<b>266.43</b>	349.13
Less : Provision / Reversal of Depreciation	<b>0.86</b>	(2.78)
Less : Provision for Taxes	<b>99.81</b>	(13.70)
<b>Net Profit after Tax</b>	<b>280.69</b>	143.47
Less : Special Reserve (U/s 45-1C, RBI Act, 1934)	<b>56.14</b>	28.69
Profit Brought Forward	<b>612.53</b>	497.75
Balance carried forward to Balance Sheet	<b>837.08</b>	612.53

### FINANCIAL PERFORMANCE OF THE COMPANY

Total revenues for the year ended March, 31, 2011 amounted to Rs. 771.46 Lacs as compared to Rs. 773.74 Lacs in the previous year. Profit before interest, depreciation and taxes for the financial year 2011, amounted to Rs. 648.07 Lacs as against Rs. 475.36 Lacs in the last year. The Profit after Tax for the financial year is Rs. 280.69 Lacs as against Rs. 143.47 Lacs in the previous financial year, however, for the financial year ended 31st March, 2011, the surplus carried to the Balance Sheet amounted to Rs. 837.08 Lacs as against the surplus of Rs. 612.53 Lacs in the last financial year ended 31st March, 2010.

The higher profit is largely attributable to reduction in administrative cost and low interest cost.

### RBI GUIDELINES

The Company is registered with the Reserve Bank of India as a NBFC within the provisions of the NBFC (Reserve Bank of India) Directions, 1998. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

### DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares of the Company for the current financial year.

### SHARE CAPITAL

During the year 2010-11 the Company after obtaining the approval of the members issued 2000000 convertible warrants on 21st May 2010 to one of the Promoter and to two other members other than promoters. The said warrants were issued @ Rs. 23.54 per warrant with a right to

subscribe equal number of equity shares on conversion of Rs. 10/- each within a period of 18 months from the date of allotment of these warrants. The Company has converted the aforesaid warrants and issued 2000000 equity shares of the Company on 20th November 2010.

### PUBLIC DEPOSITS

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

### SUBSIDIARY COMPANIES

The Company has two wholly owned subsidiaries namely Moon Orchid Housing Private Limited and Meadow Real Estate Private Limited. These subsidiary companies are non-material unlisted subsidiaries of the Company.

In view of the general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, vide its General Circular No.2/2011 dated 08-02-2011 the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the Subsidiary Companies, have not been attached to the Balance Sheet of your Company. The financial information relating to all the Subsidiary Companies, in the aggregate, has been disclosed in the consolidated financial statements, as required by the Central Government as part of its approval.

Further,

- The annual accounts of the Subsidiary Companies and related detailed information will be made available to the members upon request.
- Annual accounts of the Subsidiary Companies will be available for inspection by the members, at the head offices of the Company and the Subsidiary Companies concerned.

**ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to Clause 32 and 50 of the Listing Agreement, your Company has prepared Consolidated Financial Statements as per the Accounting Standards applicable to the Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Audited Consolidated Financial Statements along with the Auditors' Report are annexed with this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the Company Mr. Chand Krishna Tikku retires at the 19th Annual General Meeting and being eligible offers himself for reappointment. A brief resume of Director being re-appointed, nature of his expertise in the specific functional areas is mentioned in the Corporate Governance section. Other details of Directors and names of companies in which they hold the Directorship and/or Membership/ Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement, is given in the Statement of Corporate Governance elsewhere in the Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) that in preparation of the Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards have been followed alongwith the proper explanation relating to the material departures;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a going concern basis.

**AUDITORS AND AUDITORS' REPORT**

M/s H. V & Associates, Chartered Accountants, Statutory Auditors of the Company whose firm name has been changed to H.K.Chhabra & Co., will retire at the conclusion of the forthcoming Annual General Meeting are recommended for re-appointment of the Company's Auditors. A letter from them confirming that, if they are re-appointed as the Statutory auditors of the Company, such appointment will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956, and they are not disqualified in terms of Section 226 of the Companies Act, 1956, from being appointed as the Statutory Auditors of the Company, has been received. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

**STATUTORY STATEMENT**

The statements, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo, and pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, with respect to the employee(s) of the Company drawing remuneration exceeding the sum prescribed therein, are not applicable to your Company.

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

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

**CORPORATE GOVERNANCE**

A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance with conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

Further, as required under Clause 49 of the Listing Agreement, a certificate, duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2011, was submitted to the Board of Directors at their meeting held on August 9, 2011. The certificate is attached to the Report on Corporate Governance.

**Group coming within the definition of groups 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) :

Mr. Navjeet Singh Sobti

Ms. Gurpreet N S Sobti

Innovative Money Matters Pvt. Ltd.

Almondz Global Securities Ltd.

Or any other Company, firm or trust promoted or controlled by the above. The above disclosure has been made; inter alia, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their appreciation for the commitment displayed by employees, in the performance of the Company during the year.

For and on behalf of the Board of Directors

**Ramesh Peer**      **Govind Prasad Agrawal**  
Managing Director      Director

New Delhi  
9th August, 2011

## Corporate Governance Report

### COMPANY'S PHILOSOPHY ON GOVERNANCE

Your Company believes that a well defined and fully implemented corporate governance system is its utmost priority, and believes in transparency, professionalism and accountability, which are the basic principles of corporate governance.

The Company is in compliance with the requirements of Code of Corporate Governance as prescribed in the Listing Agreement and in this regard the following details is provided for the information of stakeholders and public at large :

### BOARD OF DIRECTORS

#### Composition :

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Company has a Non-Executive Chairman and the number of Independent Directors is one-half of the total number of Directors. The number of Non-Executive Directors is more than 50% of the total number of Directors. The Board is presently comprise of 6 Directors, including 1 Executive Director and 5 Non Executive Directors, of which 3 are independent Directors. The Directors have expertise in their functional areas and bring a wide range of the skills and experience on the Board.

None of the Directors on the Board of Directors on the Board is a member of more than 10 committees or chairman

of more than 5 committees across all the Companies in which he is a Director. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions have been made by the Directors.

### Meetings and Attendance

During the year 2010-2011 the Board of Directors met Six (6) times on the following dates :

9th April 2010, 29th May 2010, 13 August 2010, 12th November 2010, 23rd November 2010 and 11th February 2011.

The gap between any two Board meetings did not exceed four months.

### Categories and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review along with the number of Directorship and committee memberships held by them in other companies as on 31st March 2011 are given hereunder. The Directorship in other companies exclude those held in private limited companies, association, companies incorporated outside India and alternate directorships. The Chairmanship / Memberships include membership of Audit and Shareholders' / Investor Grievance Committees.

Name of Directors	Category	Attendance at Board Meetings		No. of Directorships in other Public Companies	No. of Membership/ Chairmanship in Committees of Board of Public Companies		Whether Present in Annual General Meeting
		Held	Attended		Chairman	Member	
Mr. Ramesh Peer	Managing Director	6	6	—	—	—	Yes
Mr. Chand Krishna Tikku	Non-Executive Director	6	6	1	—	1	No
Mr. Govind Prasad Agrawal	Non-Executive Director	6	6	4	—	2	Yes
Mr. Sanjay Grover	Non-Executive Director	6	5	—	—	—	Yes
Mr. Shiam Sunder Lal Gupta	Non-Executive Director	6	6	2	1	—	No
Mr. Harjit Singh Sudershan Sethi	Non-Executive Director	4	NIL	—	—	—	No

### CODE OF CONDUCT

The Board has laid down Code of Conduct for Board members and employees of the Company ("Codes"). The Codes have been posted on the Company's website [www.almondzcapital.com](http://www.almondzcapital.com). All Board members and employees have affirmed compliance with the Codes. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

### Committees of the Board

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

- Audit Committee
- Remuneration Committee
- Share Transfer and Shareholders' Grievance Committee

- Committee for Further Issue of Shares
- Management Committee
- Debenture Committee

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

### AUDIT COMMITTEE

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

## ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Sub-section (2AA) of Section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected

fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### COMPOSITION

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

The Committee members have requisite experience in the fields of Finance and Accounts, Banking and Management. The Audit Committee met 4 times during the year. The quorum of the Committee is 1/3rd of the total strength of the Committee or 2 members, whichever is higher and minimum of two independent Directors. Mr. Sanjay Grover, who is a non-executive and independent Director, having sufficient accounting and financial management expertise is the elected Chairman of the Committee for all its meetings. The terms of reference of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 as well as with the requirements of Clause 49 of the Listing Agreement as entered into by the Company with the Stock Exchanges.

Mr. Ajay Pratap, Assistant Vice President & Company Secretary act as the Secretary to the Audit Committee meetings. During the Financial Year under review, the Audit Committee meetings were held on 29th May 2010; 13th August, 2010, 12th November, 2010 and 11th February, 2011. For the finalisation of the Audited Annual Accounts of the Company, the meeting of the Audit Committee was held on 30th May 2011.

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

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

### INTERNAL AUDITORS

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

**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

The Remuneration Committee recommends and reviews the remuneration packages of the Managerial Personnel and formulation of broad policy framework for managerial remuneration.

**COMPOSITION**

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

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

During the year under report no meeting of Remuneration Committee was held. Mr. Sanjay Grover, Non Executive & Independent Director, has been nominated as the Chairman of the Committee for all its meetings.

**REMUNERATION OF DIRECTORS**

The Company has not paid any remuneration to any of its Non-Executive Directors, except the Sitting Fees for attending meetings of the Board/Committee meetings. Managing Director is the only executive director in the company. The compensation of the Managing Director comprises a fixed component and a performance incentive. The Managing Director is not paid sitting fees for any board/committee meetings attended by him.

Details of the remuneration of directors for the year ended 31 March, 2011 are as follows:

**(a) Executive Directors :**

Name	Category	Salary & Perquisites (Rs.)
Mr. Ramesh Peer	Managing Director	63,750/- per month with perquisites

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

Name	Category	Sitting Fees (Rs.) As on 31.03.2011
Mr. Govind Prasad Agrawal	Director	92,000/-
Mr. Sanjay Grover	Director	58,000/-
Mr. Chand Krishna Tikku	Director	68,000/-
Mr. Shiam Sunder Lal Gupta	Director	78,000/-
Mr. Harjit Singh Sudershan Sethi	Director	NIL

**SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE**

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

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

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

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

- (a) Share Transfer :
  - (i) Approve and effect Transfer and Transmission of Shares
  - (ii) Issue of new Share Certificates in lieu of the lost/ mutilated Share Certificates
  - (iii) Consolidation of Folios/ Transposition of Names
- (b) Shareholders' / Investors' Complaints :
  - (i) Non-receipt of Shares after Transfer / Transmission
  - (ii) Non-receipt of Annual Report
  - (iii) Other matters including change of address, etc.

The Secretarial Department of the Company and the Registrar and Share Transfer Agents Beetal Financial & Computer Services Pvt. Ltd. attend to all the grievances of the shareholders and investors received. The minutes of this Committee are being placed in the subsequent Board Meeting held after the Committee meeting. Continuous efforts are made to insure that grievances are more expeditiously redressed to the complete satisfaction of the shareholders. Mr. Ajay Pratap, Assistant Vice President & Company Secretary is the Compliance Officer of the Company.

**COMMITTEE FOR FURTHER ISSUE OF SHARE**

The Committee for Further Issue of Shares comprises of Mr. Ramesh Peer and Mr. Govind Prasad Agrawal. Mr. Ramesh Peer, Managing Director of the Company elected as the Chairman of the Committee for all its meetings. During the year under review 3 meeting of the Committee were held.

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

**MANAGEMENT COMMITTEE**

The Board of Directors of the Company had constituted a Management Committee and delegated the powers of borrowing,



**ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED**

lending and acquisition of the securities of any other body corporate/s and the powers pertaining to the general administration and management of the Company with the objective of business expediency. The Committee presently comprises of Mr. Ramesh Peer, Mr. Shiam Sunder Lal Gupta and Mr. Govind Prasad Agrawal. Mr. Ramesh Peer is Chairman of the committee and Mr. Ajay Pratap, Assistant Vice President & Company Secretary is Secretary of all the Committee meetings. During the year under review 6 meeting of the management Committee were held which were attended by all the three members of the Company.

**DEBENTURE COMMITTEE**

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

**Details of the last three Annual General Meetings :**

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

Financial Year Ended	AGM	Location	Date	Time
31.03.2010	18th	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	28th September 2010	4.30 P. M.
31.03.2009	17th	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	24th September 2009	11.30 A. M.
31.03.2008	16th	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	24th September 2008	11.00 A. M.

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

**DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT, THE PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE AND DETAILS OF THE VOTING PATTERN**

During the year under report, the Company had completed a Postal Ballot process and therein passed 2 Ordinary Resolutions and 1 Special Resolution. The Board of Directors of the Company, at its meetings had appointed Scrutinizer for conducting Postal ballot in fair and Transparent manner. The Postal ballot received were kept in boxes sealed by the Scrutinizers.

**Particulars of Resolution passed on 22nd February 2011:**

- (a) Increasing the Authorised Share Capital of the Company (hereinafter "Resolution No. 1");
- (b) Alteration in the Capital Clause of Memorandum of Association of the Company (hereinafter "Resolution No. 2"); and

year under review no meeting of the Debenture Committee were held.

**SUBSIDIARY COMPANIES**

The Company has two material non-listed Indian Subsidiary Company, namely Moon Orchid Housing Pvt. Ltd. and Meadow Real Estate Pvt. Ltd. The Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies. The minutes of the Board meeting as well as statements of all significant transactions of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

**GENERAL BODY MEETINGS**

An Extra Ordinary General Meeting of the Company for issue of 2000000 Warrants on Preferential basis was held on 7th May 2010 at P H D Chambers of Commerce & Industry, P H D House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016

- (c) Alteration in Share Capital Clause of Articles of Association of the Company (hereinafter "Resolution No. 3"),

Particulars	Details / Dates
Date of Board meeting	15th January 2011
Scrutinizer appointed by the Board of Directors at its meeting	Ms. Ashu Gupta, Practising Company Secretary
Date of Notice seeking Shareholders approval	15th July 2007
Date of completion of Dispatch of Notice	20th January 2011
Last Date of receipt of duly filed Postal ballot Form	21st February 2011
Date of submission of Scrutinizer's report to the Chairman	22nd February 2011
Date of Declaration of Results	22nd February 2011

The Summary of the voting pattern under the Postal Ballot which was declared on 22nd February 2011 was as under :

Sl. No.	Particulars	Resolution No. 1 Ordinary Resolution		Resolution No. 2 Ordinary Resolution		Resolution No. 3 Special Resolution	
		No. of Postal Ballots	No. of shares	No. of Postal Ballots	No. of shares	No. of Postal Ballots	No. of shares
A	Postal Ballot Forms received	18	9481633	18	9481633	18	9481633
B	Less : Invalid Postal Ballot Forms	1	100	1	100	1	100
C	Net Valid Postal Ballot Forms of which :						
	(i) Total No. of shares with <b>Assent</b> for the resolution	17	9481533 (100%)	17	9481533 (100%)	17	9481533 (100%)
	(ii) Total No. of shares with <b>Dissent</b> for the resolution	NIL	NIL	NIL	NIL	NIL	NIL

#### MEANS OF COMMUNICATION

The Company publishes quarterly, and annual results in Business Standard English and Hindi both. The Company results and official news releases are displayed on the Company's website <http://www.almondzcapital.com>. The Company has also designated "complianceacms@almondz.com" as an email id for the purpose of registering complaints by investors and displayed the same on the Company's website.

#### INSIDER TRADING

##### Code of Conduct for Prevention of Insider Trading

The Company has adopted a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, for prevention of insider trading in shares of the Company. The Code of Conduct is implemented diligently mandating initial and continual disclosures. The transactions of the insiders in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code. The Code has been disseminated through the Company's intranet for easy access to the employees and is updated from time to time.

#### CEO / CFO CERTIFICATION

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

#### DISCLOSURE

##### In Respect of Related party Transactions

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

##### Disclosure of Accounting Treatment

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

#### COMPLIANCE

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

#### COMPLIANCE CERTIFICATE OF THE AUDITORS

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

#### COMPLIANCE OFFICER

The Board had designated Mr. Ajay Pratap, Assistant Vice President & Company Secretary as the Compliance Officer

##### Address :

2nd Floor, 3 Scindia House,  
Janpath, New Delhi-110001  
e-mail [complianceacms@almondz.com](mailto:complianceacms@almondz.com)  
Phone : 011-32947374  
Fax : 011- 41514665

#### GENERAL SHAREHOLDERS' INFORMATION

##### Annual General Meeting

**Date** : 29th September, 2011

**Time** : 2.00 P. M.

**Venue** : M. P. C. U. Shah Auditorium,  
Shree Delhi Gujrati Samaj (Regd.),  
2, Raj Niwas Marg, Civil Lines, Delhi – 110 054

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

##### Financial Calendar 2011-2012 (Tentative)

First quarter results : July / August 2011

Second quarter results : October / November 2011

Third quarter results : January / February 2012

Fourth quarter results : April / May 2012 if unaudited quarterly results or alternatively last week of June, 2012 in case of audited results for the year.

Annual General Meeting : August / September 2012

## ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED

### Book Closure Dates :

17th September, 2011 to 29th September, 2011 (both Days inclusive)

### Listing on Stock Exchanges :

- (a) Delhi Stock Exchange Ltd.,  
DSE House, 3/1 Asaf Ali Road, Delhi - 110 002
- (b) Bombay Stock Exchange Ltd.,  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001  
Listing Fee as applicable has been paid

### Stock Code :

Scrip ID at BSE : ALMONDZ

Scrip Code at BSE : 511589

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

### Depositories :

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

### Brief Particulars of Director Being Appointed / Re-appointed

Information in case of re-appointment of Director as required under Listing Agreement. Mr. Chand Krishna Tikku is Masters in Economics from Agra University, he is the former Chairman of the Central Board of Direct Taxes, and retired in 1988, He is

having vast experience in the fields of taxation and accounting. He has done a study on behalf of World Bank on Reforms of Direct Tax Administration in Bangladesh :

Mr. Chand Krishna Tikku also serves on the Board of Seasons Textiles Ltd.

### Stock Market Data :

Bombay Stock Exchange Ltd. (BSE)			
Month	Month's High	Month's Low	Volume (Nos)
April' 10	31.00	24.00	264797
May' 10	12.75	23.60	126844
June' 10	26.85	23.75	51265
July' 10	36.00	24.05	268813
August' 10	46.00	33.00	556174
September' 10	45.25	37.20	300670
October' 10	47.05	36.90	175684
November' 10	40.50	34.25	53402
December' 10	38.90	23.80	43558
January' 11	29.00	22.75	93045
February' 11	26.40	19.55	27177
March' 11	24.75	17.85	164558

### Evolution of Capital :

Date of Allotment	No. of Shares	Reasons for Allotment	Cumulative No. of Shares	Cumulative Listed / Traded Capital
Incorporation	20	On Incorporation	20	—
15.05.1992	50	Preferential Allotment	70	—
15.12.1992	199930	Preferential Allotment	200000	—
29.01.1993	800000	Preferential Allotment	1000000	—
30.06.1993	600000	Preferential Allotment	1600000	—
04.05.1994	1600000	Public Issue	3200000	3200000
20.05.1996	4122700	Public – cum Rights Issue	7322700	7322700
08.06.1997	269491	Conversion of Fully paid Zero Interest Unsecured Fully Convertible Debentures of Rs. 25/- each	7592191*	3860491
30.09.1998	7189	Conversion of Fully paid Zero Interest Unsecured Fully Convertible Debentures of Rs. 25/- each	7599380	3867680
29.03.2004	2352320	Reissue of forfeited shares	7599380	6220000**
19.08.2006	465000	Preferential Allotment	8064380	6685000
30.03.2007	2825000	Preferential Allotment	10889380	9510000
19.09.2007	505900	Preferential Allotment	11395280	10015900
10.05.2010	1755000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	13150280	11770900
20.11.2010	2000000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	15150280	13770900

### Notes :

\* Out of 7592191 shares 3731700 shares were forfeited in September 2009.

\*\* Out of 3731700 shares 2352320 shares were reissued in 2004.

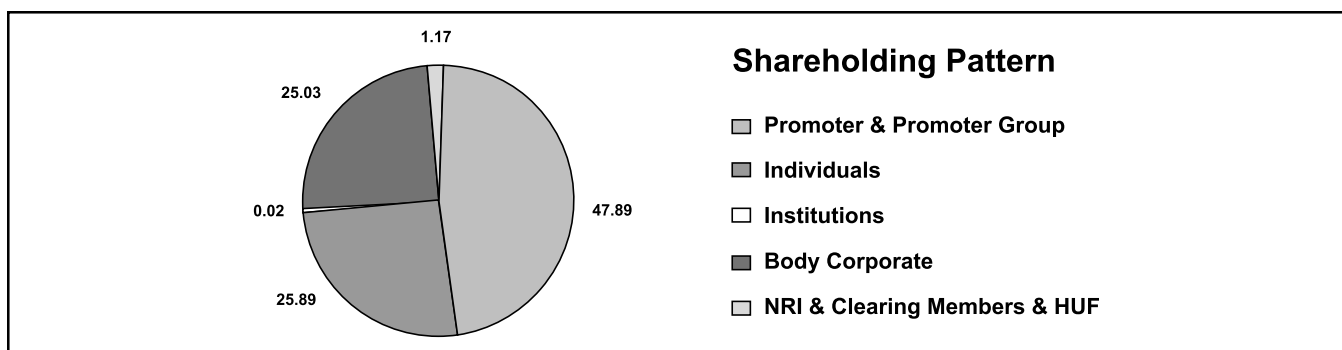
**Distribution of Shareholding as on 31st March, 2011 :**

No. of Equity Shareholders	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up To 5000	2564	85.84	296749	2.1549
5001 To 10000	166	5.56	137184	0.9962
10001 To 20000	87	2.91	132486	0.9621
20001 To 30000	50	1.67	130018	0.9442
30001 To 40000	16	0.54	58033	0.4214
40001 To 50000	27	0.90	127663	0.9270
50001 To 100000	26	0.87	185667	1.3483
100001 AND ABOVE	50	1.71	12703100	92.2460
<b>TOTAL</b>	<b>3066</b>	<b>100.00</b>	<b>10015900</b>	<b>100.0000</b>

**Shareholding Pattern as on 31st March 2011 :**

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals / Hindu Undivided Family	2	3797549	972549	27.58	27.58	—	—
(b)	Central Government / State Government(s)	—	—	—	—	—	—	—
(c)	Bodies Corporate	1	2796702	2796702	20.31	20.31	—	—
(d)	Financial Institutions / Banks	—	—	—	—	—	—	—
(e)	Any Other (specify)	—	—	—	—	—	—	—
	<b>Sub-Total (A) (1)</b>	<b>3</b>	<b>6594251</b>	<b>3769251</b>	<b>47.89</b>	<b>47.89</b>	—	—
<b>2</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	—	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—	—
(d)	Any Other (specify)	—	—	—	—	—	—	—
	<b>Sub-Total (A) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	—	—
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A) (1) + (A) (2)</b>	<b>3</b>	<b>6594251</b>	<b>3769251</b>	<b>47.89</b>	<b>47.89</b>	—	—

Category Code	Category of Shareholders	Number of Shareholders	Total No of Shares	No. of Shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
<b>(B)</b>	<b>Public Shareholding</b>	—	—	—	—	—	<b>N. A.</b>	<b>N. A.</b>
<b>1</b>	<b>Institutions</b>	—	—	—	—	—	<b>N. A.</b>	<b>N. A.</b>
(a)	Mutual Funds / UTI	—	—	—	—	—	—	—
(b)	Financial Institutions / Banks	1	2600	—	0.02	0.02	—	—
(c)	Central Government / State Government (s)	—	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	—	—	—	—	—	—	—
(f)	Foreign Institutional Investors	—	—	—	—	—	—	—
(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—
(h)	Any Other (Specify)	—	—	—	—	—	—	—
	<b>Sub-Total (B) (1)</b>	<b>1</b>	<b>2600</b>	—	<b>0.02</b>	<b>0.02</b>	—	—
<b>2</b>	<b>Non-Institutions</b>	—	—	—	—	—	<b>N. A.</b>	<b>N. A.</b>
(a)	Bodies Corporate	117	3446643	1438143	25.03	25.03	—	—
(b)	Individuals :							
	i. Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2776	851396	665925	6.18	6.18	—	—
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	25	2714044	2662444	19.71	19.71	—	—
(c)	Any Other (specify)							
	NRI	17	41175	23675	0.30	0.30	—	—
	Clearing Members	2	424	424	0.00	0.00	—	—
	HUF	45	120367	120367	0.87	0.87	—	—
	<b>Sub-Total (B) (2)</b>	<b>2982</b>	<b>7174049</b>	<b>4910978</b>	<b>52.10</b>	<b>52.10</b>	—	—
	<b>Total Public Shareholding</b>							
	<b>(B) = (B)(1)+(B)(2)</b>	<b>2983</b>	<b>7176649</b>	<b>4910978</b>	<b>52.11</b>	<b>52.11</b>	<b>N. A.</b>	<b>N. A.</b>
	<b>TOTAL (A)+(B)</b>	<b>2986</b>	<b>13770900</b>	<b>8680229</b>	<b>100.00</b>	<b>100.00</b>	—	—
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	—	—	—	*****	—	<b>N. A.</b>	<b>N. A.</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2986</b>	<b>13770900</b>	<b>8680229</b>	<b>*****</b>	<b>100.00</b>	<b>N. A.</b>	<b>N. A.</b>



### Reconciliation of Share Capital Audit Report

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 1996, quarterly audit is being undertaken by a Practising Company Secretary for reconciliation of share capital of the Company.

The audit report inter alia covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc.

Details of changes, if any, in the share capital of the Company during the quarter, are also covered in the report. The Reconciliation of Share Capital Audit Report is submitted with BSE and DSE and is also placed before the meetings of the Board of Directors Committee.

### Status of Dematerialisation of Shares as on 31 March 2011

Particulars	No. of Shares	% of Total capital
Dematerialised	8680229	63.03
Physical	5090671	36.97
<b>Total</b>	<b>13770900</b>	<b>100.00</b>

### Registrar & Transfer Agent :

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

### SHARE TRANSFER SYSTEM

All matters connected with the share transfer both physical and electronic, dividends and other matters are handled by the Registrar & Transfer Agents located at the address mentioned elsewhere in this report. Shares lodged for transfer are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from shareholders and other miscellaneous correspondence on change of address, etc., are processed by the Registrar & Transfer Agents. Pursuant to Clause 47(c) of the Listing Agreement with Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company, as required under Clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely complianceacms@almondz.com in for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances. Shareholders are, therefore, requested to correspond with the Registrar & Transfer Agents for transfer/transmission of shares, change of address and queries pertaining to their shareholding, at their address given in this report.

## ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED

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

The total number of complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2011 were 15. There were no complaints outstanding as on 31st March 2011.

### Investors Correspondence / Query

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

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

For any query on Annual Report :

Secretarial Department  
Almondz Capital & Management Services Ltd.  
2nd Floor, 3 Scindia House, Janpath,  
New Delhi - 110 001

### COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY

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

### Management Discussion And Analysis

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

For and on behalf of the Board of Directors

**Ramesh Peer**      **Govind Prasad Agrawal**  
Managing Director      Director

New Delhi  
9th August, 2011

*Appendix to the Statement on Corporate Governance*

*Appendix - I*

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

To the Shareholders of  
M/s. ALMONDZ CAPITAL & MANAGEMENT SERVICES LTD.

We have examined the compliance of the conditions of Corporate Governance by M/s Almondz Capital & Management Services Ltd. for the year ended 31st March, 2011, as stipulated under Clause 49 of the Listing Agreement as entered into by the Company with the Stock Exchanges in India.

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

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

We state that in respect of the investors' grievances received during the year ended 31st March, 2011, no investors' grievances are pending against the Company for period exceeding one month as per the records maintained by the Company, which are presented to the Shareholders' / Investors' Grievance Committee.

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

For **H. V. & Associates**  
Chartered Accountants  
Firm Registration No. 010917N

New Delhi  
30th May, 2011

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

**CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD**

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

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief :
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board of Directors. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. I indicate to the Auditors and to the Audit Committee :
  - a) significant changes in internal control over financial reporting during the year;
  - b) significant changes in accounting policies during the year;
5. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the Listing Agreement, for the current year.

New Delhi  
9th August, 2011

**RAMESH PEER**  
Managing Director



## Management Discussion & Analysis Report

### INDUSTRY STRUCTURE AND DEVELOPMENT

(NBFCs) act as a critical link in the overall financial system catering to a large market of niche customers. In recent times, NBFCs have emerged as lenders to both companies and individuals and are generally regarded to be complementary to banks and are often able to offer better services and products to their customers. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises in the rural and semi urban areas. NBFCs are playing significant role in financing the road transport and infrastructure and have reached the gross root level through Micro finance. With the growing importance assigned to financial inclusion, NBFCs have come to be regarded as important financial intermediaries particularly for the small-scale and retail sectors. NBFCs have also been pioneering at retail asset backed lending, lending against securities, microfinance etc. and have been extending credit to retail customers in under-served areas and to unbanked customers.

On the regulatory front, NBFCs are regulated by the Reserve Bank of India (RBI) almost at par with banks. All the prudential norms for asset classification, income recognition, provisioning etc., are applicable to NBFCs in India.

### BUSINESS OPERATIONS

During the year under review, the Company has generated its income of Rs. 166.82 Lacs from Fee, Commission and Brokerage, Rs. 251.70 Lacs from Trading of securities, Rs. 255.25 Lacs from lending and Rs. 95.95 Lacs from Dividend. Total Investment of the Company for the year under review were Rs. 3494.33 Lacs.

### OPPORTUNITIES AND THREATS

The economy all over the world is going through bad phase, the Indian economy, though not affected substantially, has suffered and the opportunities have become limited in all sphere of businesses. The financial market has suffered a lot including the business for NBFCs.

The business of the company may be affected by regulatory changes and increased competition from the local and global players operating in India and offering services similar to that of your company.

The Company is exposed to all risks & threat which Financial Market & Non Banking Finance Company faces. The company is also facing risk of heavy ups and down in stock market which can be minimize due to risk management system of our company.

### OUTLOOK, RISK AND CONCERNS

The general tone for the industry is one of optimism and most indicators appear positive. A significant portion of the company's income arises from investment and trading operation, which are largely dependent on the conditions of the stock market. The stock market activity depends largely upon the economic growth momentum and a combination of several factors like low inflation, growing domestic savings, surging portfolio investments into India etc. The unusual developments in the global economy indicate heightened uncertainties and new challenges for the emerging

market economies like India. The Company will continue focusing on trading in securities, financing and fee based activities and besides that the company will continue to explore opportunities in other areas related to its operations.

In today's complex business environment, almost every business is exposed to risk. As an NBFC, your Company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, diversification into other business operations, retention of talented personnel, managing effective growth rate, volatility in interest rate, NPAs in portfolio, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. Your Company recognizes the importance of risk management and is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUENCY

The established Internal Control Systems of your company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly. More so, these internal control systems are regularly monitored by the audit committee of your company and are improved upon on regular basis.

### HUMAN RESOURCE

The Company is having dedicated employees who help the company in achieving its goals.

### CAUTIONARY STATEMENT

*Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties*

*include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.*

## **Auditors' Report**

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

1. We have audited the attached Balance Sheet of ALMONDZ CAPITAL & MANAGEMENT SERVICES LTD., New Delhi as at 31st March 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of Sub-section(1) of Section 274 of the Companies Act, 1956.

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31, 2011 ; and
  - ii) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date; and
  - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **H. V. & Associates**  
Chartered Accountants  
Firm Registration No. 010917N

New Delhi  
May 30, 2011

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

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

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

S. No.	Name of the Party	Amount (Rs. in Lacs)	Year-end Balance (Rs. in Lacs)	Maximum Balance (Rs. in Lacs)
1	Almondz Global Securities Limited (Associate Company)	4300.00	1000.00	1600.00
2	Almondz Finanz Limited (Associate Company)	61.50	NIL	27.00

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

- (b) During the year company has granted unsecured loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. The details thereof is furnished hereunder :

S. No.	Name of the Party	Amount (Rs. in Lacs)	Year-end Balance (Rs. in Lacs)	Maximum Balance (Rs. in Lacs)
1	Almondz Global Securities Limited (Associate Company)	262.00	NIL	168.00
2	Almondz Finanz Limited (Associate Company)	3978.00	312.50	888.00

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

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

- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- xii) We are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is neither a chit fund nor nidhi / mutual benefit fund / society and hence Clause 4 (xii) of the Order is not applicable to the Company.
- xiv) The Company has maintained proper records of transaction and contracts in respect of all shares, debentures and other securities, which have been held by the Company in its own name and timely entries have been made therein.
- xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xvi) In our opinion and according to the information and explanations given to us, the Company has not applied for any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the

Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) During the year the company has not issued any debentures.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For H. V. & Associates**  
Chartered Accountants  
Firm Registration No. 010917N

New Delhi  
May 30, 2011

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

## Balance Sheet as at 31st March, 2011

(Amount in Indian Rupees)

Particulars	Schedule No.	As at 31.03.2011		As at 31.03.2010
<b>Sources of Funds</b>				
<b>Shareholders' funds</b>				
Share capital	1	144,217,131	106,667,131	
Reserves & surplus	2	304,052,737	248,903,835	355,570,966
<b>Advance against Option Warrant</b>		—		4,387,500
<b>Loan Fund</b>				
Secured loans	3	60,700,603	39,985,397	
Unsecured loans		115,008,877	80,334,192	120,319,589
		<b>623,979,348</b>		<b>480,278,055</b>
<b>Application of Funds</b>				
<b>Fixed assets</b>				
Gross block	4	1,483,483	1,475,483	
Less : depreciation		597,153	510,617	
<b>Net block</b>		<b>886,330</b>		964,866
<b>Investments</b>	5		<b>349,433,733</b>	344,295,433
<b>Current assets, loans &amp; advances</b>				
Sundry debtors		18,187,750	—	
Cash and bank balances		8,325,280	7,771,752	
Stock in trade		119,317,909	49,971,220	
Other current assets		—	432,143	
Loans and advances		133,795,765	78,271,853	
		279,626,704	136,446,968	
<b>Less : Current liabilities &amp; provisions</b>	7	5,967,419	1,429,212	
<b>Net current assets</b>			<b>273,659,285</b>	135,017,756
			<b>623,979,348</b>	<b>480,278,055</b>
<b>Significant accounting policies</b>	13			
<b>Notes to the accounts</b>	14			

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

As per our report of even date

For and on behalf of Board of Directors

For **H. V. & Associates**

Chartered Accountants

Firm Registration No. 010917N

**H.K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

**Ajay Pratap**

Assistant Vice President

&amp; Company Secretary

**Govind Prasad Agrawal**

Director

**Ramesh Peer**

Managing Director

**Profit & Loss Account for the year ended 31st March, 2011**

(Amount in Indian Rupees)

Particulars	Schedule No.	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>Income</b>			
Fee, commission & brokerage		16,682,342	127,663
Net results in trading of shares / securities	8	25,170,514	64,114,589
Dividends received		9,595,425	4,248,399
Interest & other income	9	25,559,449	8,883,385
Excess Provision of diminution in value of Investment Reversed		138,300	—
		<u>77,146,030</u>	<u>77,374,036</u>
<b>Expenditure</b>			
Professional charges		8,500,000	—
Personnel expenditure	10	1,800,266	1,460,001
Administrative & other expenses	11	1,757,697	28,377,504
Interest & finance charges	12	26,642,977	34,913,442
Provision for standard assets		280,844	—
Depreciation		86,536	100,544
		<u>39,068,320</u>	<u>64,851,491</u>
<b>Profit before extra ordinary, prior period items &amp; taxes</b>		<b>38,077,710</b>	<b>12,522,545</b>
Prior period expenses / (income) (Net)		28,188	(76,307)
<b>Effect of change in accounting policy</b>			
Reversal of depreciation		—	(378,749)
<b>Profit before tax</b>		<b>38,049,522</b>	<b>12,977,601</b>
<b>Provision for taxes</b>			
Income tax for current year		9,241,862	675,841
Income tax for earlier year		738,758	—
MAT Credit		—	(2,045,960)
		<u>(9,980,620)</u>	<u>(1,370,119)</u>
<b>Net profit for the year</b>		<b>28,068,902</b>	<b>14,347,720</b>
Less : Special reserve (under section 45-IC of the Reserve Bank of Indian Act,1934)		5,613,780	2,869,544
		<u>22,455,122</u>	<u>11,478,176</u>
Surplus brought forward from previous year		61,253,189	49,775,013
<b>Net surplus carried to balance sheet</b>		<b>83,708,311</b>	<b>61,253,189</b>
Earning per share (Face value of Rs. 10 each) (see Note 3 of schedule '14')			
— Basic		1.82	1.15
— Diluted		1.69	1.00
<b>Significant accounting policies</b>	13		
<b>Notes to the accounts</b>	14		
The Schedules referred to above, form an integral part of the Profit & Loss Account			

As per our report of even date

For and on behalf of Board of Directors

For **H. V. & Associates**

Chartered Accountants

Firm Registration No. 010917N

**H.K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

**Ajay Pratap**

Assistant Vice President

& Company Secretary

**Govind Prasad Agrawal**

Director

**Ramesh Peer**

Managing Director

## Cash Flow Statement for the year ended 31st March, 2011

	(Amount in Indian Rupees)	
Particulars	31.03.2011	31.03.2010
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax & extra-ordinary items adjusted for :	38,077,710	12,522,545
Depreciation	86,536	100,544
Provision for Employee benefits	51,717	7,972
Loss/(Profit) on sale of Investment	—	(5,014,448)
Excess Provision for diminution in value of investment	(138,300)	—
Provision for standard assets	280,844	—
Interest Received	(25,559,285)	(3,789,726)
Dividend Received	(9,595,425)	(4,248,399)
<b>Operating Profit before working capital changes adjusted for :</b>	<b>3,203,797</b>	<b>(421,512)</b>
(Increase)/Decrease in Stock in trade	(69,346,689)	(49,971,220)
(Increase)/Decrease in Trade receivables	(18,187,750)	1,732,600
(Increase)/Decrease in Other receivables	(55,091,769)	(60,350,515)
Increase/(Decrease) in Trade & other payables	4,205,646	88,690
<b>Cash used in operations</b>	<b>(135,216,765)</b>	<b>(108,921,957)</b>
Extra Ordinary and Prior Period Items	(28,188)	76,307
Taxes Paid	(9,980,620)	1,370,119
<b>Net cash generated from Operating Activities</b>	<b>(A) (145,225,573)</b>	<b>(107,475,531)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(8,000)	—
Purchase of investments	(5,000,000)	(26,584,525)
Sale of investments	—	7,564,448
Dividend received	9,595,425	4,248,399
<b>Net cash used in Investing Activities</b>	<b>(B) 4,587,425</b>	<b>(14,771,678)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital/share premium	60,242,500	—
Proceeds from issue of option warrants	—	4,387,500
Proceeds from secured loan term borrowings	20,715,206	39,985,397
Proceeds from unsecured loan term borrowings	34,674,685	80,334,192
Interest Received	25,559,285	3,789,726
<b>Net cash generated from Financing Activities</b>	<b>(C) 141,191,676</b>	<b>128,496,815</b>
Cash and cash equivalents (Opening Balance)	7,771,752	1,522,146
Net cash inflows for the year	<b>(A+B+C) 553,528</b>	6,249,606
<b>Cash and cash equivalents (Closing Balance)</b>	<b>8,325,280</b>	<b>7,771,752</b>

As per our report of even date

For and on behalf of Board of Directors

For H. V. &amp; Associates

Chartered Accountants

Firm Registration No. 010917N

**H.K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

**Ajay Pratap**

Assistant Vice President

&amp; Company Secretary

**Govind Prasad Agrawal**

Director

**Ramesh Peer**

Managing Director

**Schedules forming part of the balance sheet as at 31st March, 2011**

(Amount in Indian Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule – 1</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
2,00,00,000 (Previous year 1,50,00,000) Equity shares of Rs. 10/- each	<u>200,000,000</u>	<u>150,000,000</u>
<b>Issued and subscribed</b>		
15,150,280 (Previous year 1,13,95,280) Equity shares of Rs.10/- each (1,379,380 shares forfeited)	<u>151,502,800</u>	<u>113,952,800</u>
<b>Paid-up capital</b>		
13,770,900 (Previous year 10,015,900) Equity shares of Rs. 10/- each, fully paid up	137,709,000	100,159,000
Add : 1,379,380 shares forfeited	<u>6,508,131</u>	<u>6,508,131</u>
	<u><b>144,217,131</b></u>	<u><b>106,667,131</b></u>
	<u><b>144,217,131</b></u>	<u><b>106,667,131</b></u>
<b>Schedule – 2</b>		
<b>Reserves and Surplus</b>		
<b>Share premium</b>	<b>136,417,900</b>	<b>109,337,900</b>
<b>Capital reserve</b>		
As per Previous year balance sheet	<b>74,448,968</b>	<b>74,448,968</b>
Surplus carried from profit & loss account	<b>83,708,311</b>	<b>61,253,189</b>
Special reserve (U/s 45-IC, RBI act,1934)	<u><b>9,477,558</b></u>	<u><b>3,863,778</b></u>
	<u><b>304,052,737</b></u>	<u><b>248,903,835</b></u>
<b>Schedule – 3</b>		
<b>Loan Fund</b>		
<b>Secured Loans</b>		
<b>Other loans and advances</b>		
Working capital loan (Secured by way of holding securities includes Shares/ Mutual Fund units /AA & above rated bonds and further secured by personal guarantee of promoter)	<b>60,700,603</b>	<b>39,985,397</b>
<b>Unsecured Loan</b>		
Loan from bodies corporate	<u><b>115,008,877</b></u>	<u><b>80,334,192</b></u>
	<u><b>175,709,480</b></u>	<u><b>120,319,589</b></u>



Schedules forming part of the balance sheet as at 31st March, 2011

Schedule- 4

Fixed Assets

(Amount in Indian Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions during the Year	Deletion / Adjust- ments during the year	As at 31.03.2011	Up to 01.04.2010	For the year	Deletion / Adjust- ments during the Year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Computers & Peripherals	93,300	—	—	<b>93,300</b>	92,824	476	—	<b>93,300</b>	—	476
Furniture & Fixtures	1,368,383	—	—	<b>1,368,383</b>	413,852	85,379	—	<b>499,231</b>	<b>869,152</b>	954,531
Office Equipments	13,800	8,000	—	<b>21,800</b>	3,941	681	—	<b>4,622</b>	<b>17,178</b>	9,859
<b>Total</b>	1,475,483	8,000	—	<b>1,483,483</b>	510,617	86,536	—	<b>597,153</b>	<b>886,330</b>	964,866
<b>Previous Year</b>	1,475,483	—	—	<b>1,475,483</b>	788,822	100,544	378,749	<b>510,617</b>	<b>964,866</b>	686,661

**Schedules forming part of the balance sheet as at 31st March, 2011**

(Amount in Indian Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule – 5</b>		
<b>Investments, long-term</b>		
<b>Investment in subsidiaries</b>		
<b>Unquoted, fully paid up, at cost</b>		
Moon Orchid Housing Pvt. Ltd., 50,000 (Previous year 50,000) equity shares of Rs.10/-each	500,000	500,000
Meadow Real Estate Pvt. Ltd., 50,000 (Previous year 50,000) equity shares of Rs.10/-each	500,000	500,000
	<b>1,000,000</b>	<b>1,000,000</b>
<b>Other non-trade investments</b>		
<b>a) Quoted, fully paid up, at cost</b>		
Almondz Global Securities Ltd., 1,26,53,314 (Previous year 1,26,53,314) equity shares of Rs. 6/- each.	342,972,433	342,972,433
<b>b) Unquoted, fully paid up, at cost</b>		
Globus Industries & Services Ltd., 10,000 (Previous year 10,000) equity shares of Rs. 10/-each	100,000	100,000
Latitude 23 Communications Ltd., 75,000 (Previous year 75,000) equity shares of Rs. 10/-each	750,000	750,000
Shiivaz Spas & Hospitality Pvt Ltd., 20,000 (Previous year 20,000) equity shares of Rs.10/- each	200,000	200,000
Almondz Commodities Pvt. Ltd., 2,50,000 (Previous year Nil) equity shares of Rs.10/- each	2,500,000	—
	3,550,000	1,050,000
Less : Diminution in the value of investment	588,700	750,000
	<b>2,961,300</b>	<b>300,000</b>
<b>Investment in Mutual Funds</b>		
<b>Quoted at cost</b>		
Canara Robeco Mutual Fund 2,48,632.5211 (Previous year Nil) units of Rs. 10.0550/- each	2,500,000	—
<b>Government Securities</b>		
National Savings Certificate	23,000	23,000
Less : Diminution in the value of investment	23,000	—
	<b>349,433,733</b>	<b>344,295,433</b>
Aggregate market value of quoted investment	<b>358,776,216</b>	659,870,325
Aggregate book value of quoted investment	<b>345,472,433</b>	342,972,433
Aggregate cost of unquoted investment	<b>4,573,000</b>	2,073,000

Schedules forming part of the balance sheet as at 31st March, 2011

(Amount in Indian Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule – 6</b>		
<b>Current Assets, Loans &amp; Advances</b>		
<b>A. Current Assets</b>		
<b>Sundry debtors</b>		
Unsecured considered good		
— more than six months	13,500,000	—
— others	4,687,750	—
	<b>18,187,750</b>	—
<b>Cash &amp; bank balances</b>		
Cash in hand	485,973	297,824
Balances with scheduled banks :		
— in current accounts	7,839,307	5,923,928
— in deposit accounts	—	1,550,000
	<b>8,325,280</b>	7,771,752
<b>Stock in trade</b>		
Equity shares, quoted at cost	116,558,909	2,056,220
Corporate, Central government and State government bonds	2,759,000	47,915,000
	<b>119,317,909</b>	49,971,220
<b>Other current assets</b>		
Interest accrued on fixed deposits but not due	—	78,924
Interest accrued on bonds / securities	—	353,219
	<b>—</b>	432,143
<b>Total (A)</b>	<b>145,830,939</b>	58,175,115
<b>B. Loans &amp; advances</b>		
Unsecured, considered good*		
— loan to body corporate and others	112,337,731	69,397,160
Advance recoverable in cash or in kind or for value to be received #		
— advances to subsidiaries	6,789,340	4,604,960
— advances to others	9,680,641	23,066
	<b>16,469,981</b>	4,628,026
Security deposits	281,250	281,250
Prepaid expenses	13,689	13,783
Service tax cenvat receivable	931,496	163,125
MAT credit entitlement	2,045,960	2,045,960
Advance income tax & tax deducted at source [Net of provision of Rs. 92,41,862/- (Previous year Rs. 6,07,249/-)]	1,715,658	1,742,549
	<b>133,795,765</b>	78,271,853
<b>Total (B)</b>	<b>133,795,765</b>	78,271,853
<b>Total (A + B)</b>	<b>279,626,704</b>	136,446,968
* Almondz Finanz Limited	31,250,000	—
Maximum balance outstanding during the year	90,083,277	—
# Due from the company under the same management (Almondz Global Securities Ltd. - Equity broking division) (Meadow Real Estate Pvt. Ltd.) (Moon Orchid Housing Pvt. Ltd.)	9,445,214 3,394,717 3,394,623	165,620 2,219,717 2,219,623
Maximum balance outstanding during the year (Almondz Global Securities Ltd. - Equity broking division) (Meadow Real Estate Pvt. Ltd.) (Moon Orchid Housing Pvt. Ltd.)	174,421,182 3,394,717 3,394,623	178,569,700 2,219,717 2,219,623

**Schedules forming part of the balance sheet as at 31st March, 2011**

(Amount in Indian Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule – 7</b>		
<b>Current liabilities and provisions</b>		
<b>A. Current liabilities</b>		
Sundry creditors		
Dues of micro & small enterprises	—	—
Dues of creditors other than micro & small enterprises (Refer to note 11 of schedule 14)	40,285	165,905
Expenses payable	2,639,051	174,833
Other liabilities	2,574,095	680,215
Unpaid dividend *	319,513	346,345
<b>Total (A)</b>	<b>5,572,944</b>	<b>1,367,298</b>
<b>B. Provisions</b>		
Provision for retirement benefits	113,631	61,914
Contingent provision for standard assets	280,844	—
<b>Total (B)</b>	<b>394,475</b>	<b>61,914</b>
<b>Total (A + B)</b>	<b>5,967,419</b>	<b>1,429,212</b>

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

Dividend for the financial year	Declared on	Due by	Amount
2005-06	30-09-2006	30-09-2013	117,664
2006-07	18-09-2007	18-09-2014	201,849
			<b>319,513</b>

**Schedules forming part of the profit & loss account for the year ended 31st March, 2011**

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>Schedule – 8</b>		
<b>Trading of Shares and Securities</b>		
Opening stock of shares and securities	49,971,220	—
Add: cost of shares and securities purchased	2,022,909,478	4,365,898,355
	20,72,880,698	4,365,898,355
Less: closing stock of shares and securities	119,317,909	49,971,220
Cost of shares and securities sold	1,953,562,789	4,315,927,135
Less: Sale of shares and securities	2,007,933,346	54,370,557
<b>Profit/(Loss) on derivatives</b>	<b>(29,200,043)</b>	<b>(11,310,343)</b>
<b>Accrued interest on securities held as stock</b>	<b>—</b>	<b>183,151</b>
	<b>25,170,514</b>	<b>64,114,589</b>

*Schedules forming part of the profit & loss account for the year ended 31st March, 2011*

Particulars	(Amount in Indian Rupees)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>Schedule – 9</b>		
<b><u>Interest and Other Income</u></b>		
Interest on Fixed deposits with banks [Gross of tax deducted at source Rs. 3,338/- (Previous year Rs. 8,769/-)]	33,379	89,716
Interest from Others [Gross of tax deducted at source Rs. 22,26,819/- (Previous year Rs. 3,66,632/-)]	25,525,906	3,700,010
Profit on sale of Investment	—	5,014,448
Liabilities no longer required written back	—	23,724
Miscellaneous income	164	55,487
	<u>25,559,449</u>	<u>8,883,385</u>
<b>Schedule – 10</b>		
<b><u>Personnel expenditure</u></b>		
Salaries, bonus and other allowances	1,704,204	1,343,000
Contribution to provident and other funds	84	84
Staff welfare	21,512	22,516
Provision for employees benefits	74,466	94,401
	<u>1,800,266</u>	<u>1,460,001</u>
<b>Schedule – 11</b>		
<b><u>Administrative &amp; other expenses</u></b>		
Rent	1,125,000	1,125,000
Printing and stationery	157,658	83,117
Travelling and conveyance	137,888	135,500
Communication expenses	133,837	59,215
Electricity and water charges	16,679	12,111
Legal and professional charges	759,183	986,194
Advertisement expenses	140,284	132,078
Rates, fee and taxes	507,738	225,532
Office repair and maintenance	—	3,007
Bad Debts written off	—	27,265,014
Other expenses	849,430	420,736
	<u>3,827,697</u>	<u>30,447,504</u>
Less : Recovery of expenses	2,070,000	2,070,000
	<u>1,757,697</u>	<u>28,377,504</u>
<b>Schedule – 12</b>		
<b><u>Interest &amp; finance charges</u></b>		
Bank charges	3,018	2,502
Interest paid		
— on debentures	—	6,490,274
— on working capital loans	26,639,959	28,420,666
	<u>26,642,977</u>	<u>34,913,442</u>

## Schedule – 13

### Significant Accounting Policies

#### Background

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

#### Basis of preparation

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

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

#### Revenue Recognition

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

#### Revenue from services

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

#### Dividends

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

#### Interest

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

#### Retirement and other Employees Benefits

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

## ALMONDZ CAPITAL & MANAGEMENT SERVICES LIMITED

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

#### Fixed Assets

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

#### Depreciation

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

#### Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term investments. Current investments are valued at lower of cost or market value. The diminution in current investments is charged to the profit and loss account; appreciation, if any, is recognised at the time of sale. Long-term investments, including investments in subsidiaries, are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer.

#### Taxation

Income tax expense is recognised in accordance with Accounting Standard 22 prescribed under the Companies (Accounting Standards) Rules, 2006. Income tax expense comprises current tax and deferred tax. Current tax expense is the amount of tax for the period determined in accordance with the income-tax law and deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation

laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**Provisions and Contingent Liability**

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

**Earnings per share**

In accordance with Accounting Standard 20 prescribed under the Companies (Accounting Standards) Rules, 2006, basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential shares outstanding during the year, except where the results would be anti-dilutive.

**Operating leases taken**

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

**Segmental reporting**

- i) 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.
- ii) Revenue and expenses have been identified to a segment on the basis of relationship to the operating activities of the segment.
- iii) 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'.
- iv) Segment assets and liabilities represent assets and liabilities in respective segments. Tax related assets, and other assets and liabilities that are not reported or cannot be allocated to a segment on a reasonable basis, have been disclosed as 'Unallocable'.

**Schedule 14**

**Notes to the Accounts**

- 1. Corporate Guarantee issued in favour of Axis Bank Limited for Rs. 30,50,00,000/- for various bank limits granted to Almondz Global Securities Limited.

**2. Provision for Tax**

**a) Deferred Tax :**

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

(Rupees)

Particulars	2010-11	2009-10
<b>Deferred Tax Liabilities</b>		
Provision for retirement benefits	1,31,034	21,045
<b>Total Deferred Tax Liabilities</b>	1,31,034	21,045
<b>Deferred Tax assets</b>		
Fixed Assets	6,04,336	7,12,921
Unabsorbed Depreciation	—	11,93,577
Unabsorbed Capital Loss	75,82,392	77,58,726
Preliminary Expenses	86,366	—
<b>Total Deferred Tax Assets</b>	82,73,094	96,65,224
<b>Deferred Tax Assets (Net)</b>	81,42,060	96,44,179

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

**b) Current Tax :**

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

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

(Rupees)

Particulars	2010-11	2009-10
a) Net Profit After Tax available for Equity Shareholders (Rs.)	22,455,122	11,478,176
b) Weighted average No. of Equity Shares for Basic EPS (Nos.)	12,306,667	10,015,900
c) Weighted average No. of Equity Shares for Diluted EPS (Nos.)	13,314,886	11,496,832
d) Basic earning per share (Rs.)	1.82	1.15
e) Diluted earning per share (Rs.)	1.69	1.00

**4. Managerial Remuneration :**

(Rupees)

Particulars	2010-11	2009-10
a) Managing Director : Salary, Wages & Allowances	<b>11,18,704</b>	8,12,000

**5. Payment to Auditors :**

(Rupees)

Particulars	2010-11	2009-10
<b>Statutory Auditors :</b> (Inclusive of Service Tax)		
Audit Fee	<b>95,000</b>	104,785
Taxation Matters	—	—
Certification Fee	<b>69,498</b>	57,356
	<b>1,64,498</b>	162,141

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

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

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

(Rupees)

Particulars	Gratuity 2010-11	Gratuity 2009-10
Opening defined benefit obligation	<b>79,170</b>	40,642
Interest cost	<b>6,729</b>	3,251
Current service cost	<b>29,985</b>	25,399
Actual return on plan assets	—	—
Benefits paid	—	—
Actuarial (gain) / loss on obligation	<b>28,724</b>	9,889
Closing defined benefit obligation	<b>1,44,608</b>	79,170

**Actuarial Assumptions**

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Mortality table (LIC)	(1994-96)	(1994-96)		
Discount rate	<b>8.50%</b>	8.50%	<b>8.25%</b>	8.50%
Expected rate of return on plan assets	<b>8.50%</b>	8.50%	<b>0.00%</b>	0.00%
Rate of escalation in salary per annum	<b>7.50%</b>	7.50%	<b>7.50%</b>	7.50%
Employee turnover up to 30 years	<b>1.00%</b>	1.00%*	<b>1.00%</b>	1.00%
Above 30 years but up to 44 years	<b>1.00%</b>	1.00%*	<b>1.00%</b>	1.00%
Above 44 years	<b>1.00%</b>	1.00%*	<b>1.00%</b>	1.00%

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

(Rupees)

Particulars	Gratuity 2010-11	Gratuity 2009-10
Opening fair value of plan assets	<b>1,01,919</b>	85,878
Expected return	<b>8,663</b>	6,870
Contributions by employer	—	10,000
Benefits paid	—	—
Actuarial gain / (losses)	<b>(955)</b>	(818)
Closing fair value of plan assets	<b>1,09,627</b>	101,919

**Profit and Loss account :**

(Rupees)

Particulars	Gratuity 2010-11	Gratuity 2009-10
Current service cost	<b>29,985</b>	25,399
Interest cost	<b>6,729</b>	3,251
Expected return on plan assets	<b>(8,663)</b>	(6,870)
Actuarial gain / (losses)	<b>29,679</b>	10,707
Net benefit expense	<b>57,730</b>	32,487
Actual return on plan assets	<b>7,708</b>	6,052

**Balance sheet :**

(Rupees)

Particulars	Gratuity 2010-11	Gratuity 2009-10
Defined benefit obligation	<b>1,44,608</b>	79,170
Fair value of plan assets	<b>1,09,627</b>	101,919
Plan (Liability) / Asset	<b>(34,981)</b>	22,749

Liability in respect of leave encashment at the end of the current year amounts to Rs. 78,650/-



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

\* Withdrawal Rates 1% at each age + Service Related

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

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

## 8. Segment Reporting

For the year ended 31st March, 2011

(Rupees)

Particulars	Fees & Commission	Income from Investments & Trading	Unallocable	Total
<b>Segment Revenue</b>				
Gross Segment Revenue	16,682,342 (127,663)	60,325,224 (77,167,162)	138,464 (79,211)	77,146,030 (77,374,036)
Less : Inter Segment Adjustment	— (—)	— (—)	— (—)	— (—)
Net Segment Revenue	16,682,342 (127,663)	60,325,224 (77,167,162)	138,464 (79,211)	77,146,030 (77,374,036)
<b>Segment Results</b>				
Segment Result before Extra-Ordinary Items	8,182,342 (- 139,337)	33,043,810 (15,258,208)	(3,148,442) (- 2,596,326)	38,077,710 (12,522,545)
Prior Period Expenses / (Income) & Provisions	— (—)	— (—)	28,188 (- 455,056)	28,188 (- 455,056)
Profit before Tax	8,182,342 (- 139,337)	33,043,810 (15,258,208)	(3,176,630) (- 2,141,270)	38,049,522 (12,977,601)
Less : Provision for Tax	— (—)	— (—)	9,980,620 (- 1,370,119)	9,980,620 (- 1,370,119)
Profit after Tax	8,182,342 (- 139,337)	33,043,810 (15,258,208)	(13,157,250) (- 771,151)	28,068,902 (14,347,720)
<b>Other Information</b>				
Segment Assets	19,063,250 (—)	597,518,484 (465,811,576)	13,365,033 (15,895,691)	629,946,767 (481,707,267)
Segment Liabilities	4,455,903 (—)	176,138,536 (120,319,589)	1,082,460 (5,816,712)	181,676,899 (126,136,301)
Capital Expenditure	— (—)	— (—)	8,000 (—)	8,000 (—)
Depreciation	— (—)	— (—)	86,536 (100,544)	86,536 (100,544)
Non cash expenditure other than depreciation (net of non-cash income)	— (267,000)	(138,300) (26,998,014)	332,561 (- 15,752)	194,261 (27,249,262)

### Notes :

- Primary Business Segments : The Company's business segments have been classified as above. This business segregation forms the basis for review of operating performance by the management.
- Fees and Commission activities comprises of broking / commission / underwriting / arranger fees mainly in the nature of services involving no or negligible financial risk.
- Income from Investments and trading comprises of dividend received on shares, interest on Fixed Deposits, Profit on trading activities, Profit on sale of Investment & Interest on loan.
- The accounting policies of the segments are the same, to the extent possible, as those described in the summary of significant accounting policies as referred to in Schedule '13' to the accounts.

**9. Related Party Disclosures :**

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

**(i) Subsidiaries :**

(Entities with which control relationship exists)

- a) M/s Moon Orchid Housing Private Limited
- b) M/s Meadow Real Estate Private Limited

**(ii) Associates :**

- a) M/s Almondz Global Securities Ltd.

b) M/s Almondz Insurance Brokers Pvt. Ltd.

c) M/s Almondz Finanz Limited

d) M/s Almondz Commodities Pvt. Ltd.

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

f) M/s Shiivaz Spas & Hospitality Pvt. Ltd.

**(iii) Key Managerial Personnel :**

- a) Mr. Ramesh Peer - Managing Director

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

**(Rupees)**

	Subsidiaries	Associates	Key Managerial Personnel	Total
<b>Loans &amp; Advances</b>				
Balance as at 01.04.2010	4,439,340	—	—	4,439,340
	(—)	(14,426,323)	(—)	(14,426,323)
Paid during the year	2,350,000	424,600,000	—	426,950,000
	(5,239,340)	(203,401,965)	(—)	(208,641,305)
Receipts / Adjustments during the year	—	393,350,000	—	393,350,000
	(800,000)	(217,828,288)	(—)	(218,628,288)
Balance as at 31.03.2011	6,789,340	31,250,000	—	38,039,340
	(44,39,340)	(—)	(—)	(4,439,340)
<b>Investments</b>				
Balance as at 01.04.2010	—	200,000	—	200,000
	(—)	(320,137,908)	(—)	(320,137,908)
Purchase of Investments	—	2,500,000	—	2,500,000
	(1,000,000)	(25,593,133)	(—)	(26,593,133)
Sale during the year	—	200,000	—	200,000
	(—)	(2,558,608)	(—)	(2,558,608)
Balance as at 31.03.2011	—	2,500,000	—	2,500,000
	(1,000,000)	(343,172,433)	(—)	(344,172,433)
<b>Unsecured Loan</b>				
Balance as at 01.04.2010	—	80,334,192	—	80,334,192
	(—)	(—)	(—)	(—)
Received during the year	—	436,150,000	—	436,150,000
	(—)	(415,417,535)	(—)	(415,417,535)
Repayment of loan during the year	—	416,484,192	—	416,484,192
	(—)	(335,083,343)	(—)	(335,083,343)
Balance as at 31.03.2011	—	100,000,000	—	100,000,000
	(—)	(80,334,192)	(—)	(80,334,192)
<b>Sundry Debtors</b>				
Balance as at 31.03.2011	—	9,445,214	—	9,445,214
	(—)	(165,620)	(—)	(165,620)
Share Capital / Premium received	—	14,124,000	—	14,124,000
	(—)	(—)	(—)	(—)

(Rupees)

	Subsidiaries	Associates	Key Managerial Personnel	Total
<b>Income</b>				
Dividend	—	5,314,392	—	5,314,392
	(—)	(3,730,046)	(—)	(3,730,046)
Rent	—	2,283,216	—	2,283,216
	(—)	(2,283,216)	(—)	(2,283,216)
Profit on sale of Investment	—	—	—	—
	(—)	(5,003,100)	(—)	(5,003,100)
Interest received	—	7,173,864	—	7,173,864
	(—)	(1,330,274)	(—)	(1,330,274)
Sale of Securities	—	50,693,356	—	50,693,356
	(—)	(—)	(—)	(—)
<b>Expenditure</b>				
Payments & Provision of Salary / Retirement benefits to Key Managerial Personnel	—	—	1,118,704	1,118,704
	(—)	(—)	(812,500)	(812,500)
Purchase of Securities	—	—	—	—
	(—)	(50,170,068)	(—)	(50,170,068)
Interest paid	—	745,438	—	745,438
	(—)	(417,535)	(—)	(417,535)
Bad Debts	—	—	—	—
	(—)	(26,998,014)	(—)	(26,998,014)
Expenses Reimbursed	—	17,435	—	17,435
	(—)	(12,111)	(—)	(12,111)
Brokerage and DP Charges	—	12,276,427	—	12,276,427
	(—)	(3,365,334)	(—)	(3,365,334)

**Note :**

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

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

Particulars	Quantity (Nos.)	Cost of Securities (As per FIFO Method) (A) (in Rs.)	Market / Fair Value of Securities (B) (in Rs.)	Closing Stock as on 31st March, 2011 (Lower of A or B) (in Rs.)
<b>Non Government Securities / Bonds</b>				
9.95% State Bank of India 2026	270	2,759,000	2,814,210	2,759,000
<b>Total value of Stock of Securities (A)</b>	<b>270</b>	<b>2,759,000</b>	<b>2,814,210</b>	<b>2,759,000</b>

Particulars	Quantity (Nos.)	Cost of Securities (As per FIFO Method) (A) (in Rs.)	Market / Fair Value of Securities (B) (in Rs.)	Closing Stock as on 31st March, 2011 (Lower of A or B) (in Rs.)
<b>Quoted Shares</b>				
Dhanuka Agritech Ltd.	40000	3,136,330	3,120,000	3,120,000
Diamond Power Infrastructure Ltd.	13900	3,590,636	2,140,600	2,140,600
Elder Pharmaceuticals Ltd.	143089	56,008,895	55,819,019	55,819,019
Hita Ferro Alloys Ltd.	1000	405,288	305,750	305,750
IL & FS Engineering & Construction Company Ltd.	220100	44,880,302	41,796,990	41,796,990
IVRCL Assets & Holdings Limited	121000	15,597,298	7,229,750	7,229,750
Patel Engineering Limited	10000	2,368,085	1,403,500	1,403,500
Spicejet Ltd.	45000	3,617,290	1,723,500	1,723,500
Uflex Ltd.	21000	4,429,641	3,019,800	3,019,800
<b>Total value of Stock of Shares (B)</b>	<b>615089</b>	<b>134,033,765</b>	<b>116,558,909</b>	<b>116,558,909</b>
<b>Total (A+B)</b>	<b>615359</b>	<b>136,792,765</b>	<b>119,373,119</b>	<b>119,317,909</b>

Particulars	Quantity (Nos.)	Cost of Securities (As per FIFO Method) (A) (in Rs.)	Market / Fair Value of Securities (B) (in Rs.)	Closing Stock as on 31st March, 2010 (Lower of A or B) (in Rs.)
<b>Non Government Securities / Bonds</b>				
9.55% Industrial Financial Corporation of India 2025	50	50,000,000	47,915,000	47,915,000
<b>Total value of Stock of Securities (A)</b>	<b>50</b>	<b>50,000,000</b>	<b>47,915,000</b>	<b>47,915,000</b>

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

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

As per our report of even date

For and on behalf of Board of Directors

**For H. V. & Associates**

Chartered Accountants

Firm Registration No. 010917N

**H.K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

**Ajay Pratap**

Assistant Vice President

& Company Secretary

**Govind Prasad Agrawal**

Director

**Ramesh Peer**

Managing Director

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I. Registration Details

State Code  CIN

Balance Sheet Date   
  
 Date Month Year

## II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="37550.00"/>

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

Sources of Funds	Total Liabilities	Total Assets
	<input type="text" value="623979.35"/>	<input type="text" value="623979.35"/>
	Paid-up Capital	Reserves & Surplus
	<input type="text" value="144217.13"/>	<input type="text" value="304052.74"/>
Advance against Option Warrants	<input type="text" value="NIL"/>	Secured Loans
	Unsecured Loans	<input type="text" value="60700.60"/>
Application of Funds		
	Net Fixed Assets	Investments
	<input type="text" value="886.33"/>	<input type="text" value="349433.73"/>
	Net Current Assets	Miscellaneous Expenditure
	<input type="text" value="273659.29"/>	<input type="text" value="NIL"/>

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

Turnover	<input type="text" value="77146.03"/>	Total Expenditure	<input type="text" value="39068.32"/>
+ - Profit Before Tax	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="38049.52"/>	+ - Profit After Tax	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="28068.90"/>
Earning per Share (Basic) in Rs.	<input type="text" value="1.82"/>	Earning per Share (Diluted) in Rs.	<input type="text" value="1.69"/>
Dividend Rate %	<input type="text" value="NIL"/>		

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

(As per Monetary Terms)

Item Code No. (ITC Code)	<input type="text" value="N/A"/>
Service Description	<input type="text" value="SUBBROKERY ADVISORY SERVICES"/>
Item Code No. (ITC Code)	<input type="text" value="N/A"/>
Service Description	<input type="text" value="INVESTMENT BANKING"/>

As per our report of even date

For and on behalf of Board of Directors

For H. V. &amp; Associates

Chartered Accountants

Firm Registration No. 010917N

H.K. Chhabra

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

Ajay Pratap

Assistant Vice President

&amp; Company Secretary

Govind Prasad Agrawal

Director

Ramesh Peer

Managing Director

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

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Moon Orchid Housing Private Limited</b>
Financial period ended	March 31, 2011
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	0.18 (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	0.43 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	N. A.

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

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Meadow Real Estate Private Limited</b>
Financial period ended	March 31, 2011
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	0.18 (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	0.43 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	N. A.

For and on behalf of the Board of Directors

New Delhi  
9th August 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

**Ramesh Peer**  
Managing Director

**Govind Prasad Agrawal**  
Director

## Auditors' Report

To the Board of Directors

**Almondz Capital & Management Services Ltd.**

1. We have audited the attached consolidated Balance Sheet of Almondz Capital & Managements Services Ltd., as at 31 March 2011, and also the consolidated Profit and Loss account and the consolidated Cash Flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.
4. We report that based on our audit in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the consolidated Balance sheet, of the state of affairs of the Group as at 31 March 2011;
- (b) in the case of the consolidated Profit and Loss account, of the profit for the year ended on that date, and
- (c) in the case of the consolidated Cash flow statement, of the cash flows for the year ended on that date.

For **H. V. & Associates**

Chartered Accountants  
Firm Registration No. 010917N

**H. K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi  
May 30, 2011

**Consolidated Balance Sheet as at 31st March, 2011**

(Amount in Indian Rupees)

Particulars	Schedule No.	As at 31 March 2011	As at 31 March 2010
<b>Sources of funds</b>			
<b>Shareholders' funds</b>			
Share capital	1	144,217,131	106,667,131
Reserves and surplus	2	350,673,518	422,346,285
<b>Minority Interest</b>		—	531,721,516
<b>Advance against option warrant</b>		—	68,948,150
<b>Loan funds</b>			
Secured loans	3	60,700,603	506,973,256
Unsecured loans		115,008,877	—
		<u>670,600,129</u>	<u>1,636,656,338</u>
<b>Application of funds</b>			
<b>Fixed assets</b>			
Gross block	4	1,483,483	180,880,713
Less : Accumulated depreciation and impairment		(597,153)	(60,318,669)
Net block		886,330	120,562,044
Capital work in progress (including capital advances)		8,815,950	963,725
		9,702,280	121,525,769
<b>Deferred tax asset (net)</b>	18(8)	—	2,573,799
<b>Investments</b>	5	395,176,509	17,191,530
<b>Current assets, loans and advances</b>			
Stock in trade	6	119,317,909	929,336,348
Sundry debtors	7	18,187,750	134,324,478
Cash and bank balances	8	8,458,205	360,250,508
Loans and advances	9	127,006,425	319,427,052
Other current assets	10	—	11,960,313
		272,970,289	1,755,298,699
<b>Less : Current liabilities and provisions</b>	11		
Current liabilities		6,854,474	249,862,324
Provisions		394,475	10,071,135
		7,248,949	259,933,459
<b>Net current assets</b>		<u>265,721,340</u>	<u>1,495,365,240</u>
		<u>670,600,129</u>	<u>1,636,656,338</u>

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

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

As per our report of even date

For and on behalf of Board of Directors

**For H. V. & Associates**

Chartered Accountants

Firm Registration No. 010917N

**H.K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

**Ajay Pratap**

Assistant Vice President

& Company Secretary

**Govind Prasad Agrawal**

Director

**Ramesh Peer**

Managing Director



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

(Amount in Indian Rupees)

Particulars	Schedule No.	Year Ended 31 March 2011	Year Ended 31 March 2010
<b>Income</b>			
Advisory and consultancy fees		16,682,342	169,541,114
Broking activities	12	—	297,361,395
Net results in trading of shares / securities	13	25,170,514	403,082,862
Other income	14	35,293,174	31,319,288
		<u>77,146,030</u>	<u>901,304,659</u>
<b>Expenditure</b>			
Professional charges		8,500,000	31,772,279
Brokerage and commission		—	161,300,421
Personnel expenses	15	1,800,266	247,418,755
Administrative and other expenses	16	1,778,282	198,842,633
Finance charges	17	26,658,517	58,897,015
Depreciation		86,536	19,420,129
Fixed assets discarded		—	2,144,937
Provision for standard assets		280,844	—
Pre-operative expenses written off		—	53,340
		<u>39,104,445</u>	<u>719,849,509</u>
Profit before extraordinary, prior period items and taxes		38,041,585	181,455,150
<b>Prior period</b>			
Income / (expenses) (net)	18(4)	(28,188)	(1,182,139)
<b>Effect of change in accounting policy</b>			
Reversal of depreciation		—	(378,749)
<b>Profit before tax</b>		<b>38,013,397</b>	<b>180,651,760</b>
<b>Tax expense :</b>			
— Income-tax for earlier year / (credit)		738,758	3,059,742
— Income-tax for current year / (credit)		9,241,862	63,847,842
— MAT credit		—	(2,045,960)
— Deferred tax charge / (credit)	18(8)	—	(4,580,609)
— Wealth tax		—	46,337
		<u>9,980,620</u>	<u>60,327,352</u>
<b>Net profit for the year</b>		<b>28,032,777</b>	<b>120,324,408</b>
Less : Special reserve (under section 45-IC of the Reserve Bank of Indian Act,1934)		5,613,780	2,869,544
		<u>22,418,997</u>	<u>117,454,864</u>
Surplus brought forward from previous year		61,167,319	49,775,013
<b>Surplus available for appropriation</b>		<b>83,586,316</b>	<b>167,229,877</b>
Minority Interest		—	54,150,798
Share of profit / (losses) of associate		46,742,776	3,540,180
<b>Net surplus carried to balance sheet</b>		<b>130,329,092</b>	<b>116,619,259</b>
Earnings per share (Face value Rs.10 each)			
Refer to note 9 of schedule 18			
— Basic		5.62	6.67
— Diluted		5.19	5.81

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

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

As per our report of even date

For and on behalf of Board of Directors

For **H. V. & Associates**

Chartered Accountants

Firm Registration No. 010917N

**H.K. Chhabra**

Proprietor

(FCA – Membership No. 089616)

New Delhi

May 30, 2011

**Ajay Pratap**

Assistant Vice President

& Company Secretary

**Govind Prasad Agrawal**

Director

**Ramesh Peer**

Managing Director

**Consolidated Cash Flow Statement for the year ended 31st March, 2011**

(Amount in Indian Rupees)

Particulars	Year Ended 31 March 2011	Year Ended 31 March 2010
<b>A. Cash flow from operating activities</b>		
Profit before extraordinary, prior period items and taxes	38,041,585	181,455,150
<b>Adjustments for :</b>		
Depreciation	86,536	19,934,554
(Profit) / loss on sale of fixed assets	—	6,487,573
(Profit) / loss on sale of investment	—	(5,014,448)
Fixed assets written off	—	2,144,937
Provision for employee benefits	51,717	1,735,908
Bad debts written off	—	6,531,255
Provision for doubtful debts	—	472,000
Excess provision for doubtful debts written back	—	(7,131,170)
Excess provision for diminution in value of investment	(138,300)	—
Dividend received from other investments	(9,595,425)	(652,216)
Provision for standard assets	280,844	—
Interest received	(25,559,285)	(16,476,386)
Accrued interest on closing stock of securities	—	(2,219,090)
Liabilities no longer required written back	—	(467,137)
Finance charges	26,658,517	25,731,381
	<b>29,826,189</b>	<b>212,532,311</b>
Less : Prior period expense / (income)	<b>28,188</b>	<b>1,182,139</b>
<b>Operating profit before working capital changes</b>	<b>29,798,001</b>	<b>211,350,172</b>
<b>Adjusted for net changes in working capital :</b>		
(Increase) / decrease in stock in trade	(69,346,689)	(657,805,692)
(Increase) / decrease in sundry debtors	(18,187,750)	(24,350,294)
(Increase) / decrease in loans and advances and other current assets	(47,570,369)	(109,401,395)
Increase / (decrease) in current liabilities and provisions	5,476,146	74,603,088
<b>Cash flow before extra ordinary items and tax</b>	<b>(99,830,661)</b>	<b>(505,604,122)</b>
Taxes paid	(9,980,620)	(83,533,354)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(109,811,281)</b>	<b>(589,137,476)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(8,000)	(20,466,393)
(Increase) / decrease in capital work-in-progress	(8,785,950)	30,039,860
Proceeds from sale of fixed assets	—	8,566,762
Proceeds from sale of investment	—	7,564,448
Fixed deposits (with a maturity more than 90 days) placed	—	(318,389,617)
Fixed deposits (with a maturity more than 90 days) matured	—	148,681,461
Investments made	(5,000,000)	(37,890,373)
Dividend received	9,595,425	4,382,263
Interest received	25,559,285	19,019,479
<b>Net cash from / (used in) investing activities (B)</b>	<b>21,360,760</b>	<b>(158,492,109)</b>
<b>C. Cash flow from financing activities</b>		
Adjustments in share capital on account of consolidation	—	(200,004)
Proceeds from issue of option warrants	—	68,948,150
Proceeds from minority interest	—	25,892,004
Adjustments on consolidation	—	4,917,414
Proceeds from issue of share capital	60,242,500	—
Proceeds from secured long term borrowings	20,715,206	42,418,951
Proceeds from unsecured long term borrowings	34,674,685	—
Repayment of secured long term borrowings	—	(17,581,666)
Receipts / (Repayment) from / (of) working capital loan cash credit facilities	—	454,118,827
Dividend paid and corporate dividend tax	—	(8,887,560)
Finance charges	(26,658,517)	(25,731,381)
<b>Net cash from / (used in) financing activities (C)</b>	<b>88,973,874</b>	<b>543,894,736</b>
<b>Net cash inflows during the year (A+B+C)</b>	<b>523,353</b>	<b>(205,482,658)</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>7,934,852</b>	<b>396,025,008</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>8,458,205</b>	<b>190,542,350</b>
<b>Notes</b>		
1. The cash flow statement has been prepared as per the "Indirect method" in accordance with the Accounting Standard (AS) -3 on 'Cash Flow Statement', of the Companies (Accounting Standards) Rules, 2006.		
2. Cash and cash equivalents represent cash, balances with banks in current account (Refer to schedule 8 of the financial statements).		
3. <b>Cash and Cash equivalents include :</b>		
Cash in hand	492,368	2,203,590
Balances with scheduled banks		
— on current account	7,965,837	186,788,762
— on deposit account	—	1,549,998
<b>Cash and cash equivalents (closing balance)</b>	<b>8,458,205</b>	<b>190,542,350</b>
Add : Fixed deposits (with a maturity more than 90 days) placed	—	169,708,158
<b>Cash and bank balances at the end of the year</b>	<b>8,458,205</b>	<b>360,250,508</b>

As per our report of even date

For and on behalf of Board of Directors

For **H. V. & Associates**  
Chartered Accountants  
Firm Registration No. 010917N  
**H.K. Chhabra**  
Proprietor  
(FCA – Membership No. 089616)  
New Delhi  
May 30, 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

**Govind Prasad Agrawal**  
Director

**Ramesh Peer**  
Managing Director

## Schedules forming part of the consolidated balance sheet as at 31st March, 2011

Particulars	(Amount in Indian Rupees)	
	As at 31 March 2011	As at 31 March 2010
<b>Schedule – 1</b>		
<b>Share capital</b>		
<b>Authorized Capital</b>		
200,00,000 (previous year 150,000,000) equity shares of Rs.10/- each	<u>200,000,000</u>	<u>150,000,000</u>
<b>Issued and subscribed capital</b>		
15,150,280/- (11,395,280/-) equity shares of Rs.10/- each	<u>151,502,800</u>	<u>113,952,800</u>
<b>Paid up capital</b>		
13,770,900 (previous year 10,015,900/-) equity shares of Rs.10/- each fully paid up	<u>137,709,000</u>	<u>100,159,000</u>
Add: 13,79,380 shares forfeited	<u>6,508,131</u>	<u>6,508,131</u>
	<u><u>144,217,131</u></u>	<u><u>106,667,131</u></u>
<b>Schedule – 2</b>		
<b>Reserves and surplus</b>		
<b>Share premium</b>		
	<u>136,417,900</u>	<u>109,337,900</u>
<b>Capital reserve</b>		
Opening balance	<u>74,448,968</u>	<u>74,448,968</u>
Add: Forfeiture of amount received against option warrants	—	<u>8,538,250</u>
Add: Capital profit	—	<u>105,698,584</u>
Closing balance	<u>74,448,968</u>	<u>188,685,802</u>
<b>Profit and loss account</b>		
Opening balance	<u>61,167,319</u>	<u>49,775,013</u>
Add: Profit after tax net of share in associate profit and minority interest	<u>69,161,773</u>	<u>66,844,246</u>
Add: Dividend income eliminated	—	<u>3,839,546</u>
Closing balance	<u>130,329,092</u>	<u>120,458,805</u>
Special Reserve (under section 45-IC of the Reserve Bank of Indian Act,1934)	<u>9,477,558</u>	<u>3,863,778</u>
	<u><u>350,673,518</u></u>	<u><u>422,346,285</u></u>
<b>Schedule – 3</b>		
<b>Loan Fund</b>		
<b>Secured Loans</b>		
<b>Loans and advances from banks</b>		
Working capital loan (Secured by way of hypothecation of demat account with the Lender bank, holding securities of Central/ State Government, PSUs and approved Corporate bonds and further secured by personal guarantee of one director)	—	<u>482,330,157</u>
Bank overdraft (Secured by way of hypothecation of fixed deposit with lender bank)	—	<u>16,441,262</u>
Term - loan*		
— Secured against hypothecation of specific vehicles financed	—	<u>3,087,518</u>
— Secured by way of equitable mortgage of Company's specific properties at Kolkata, Bangalore, Coimbatore. Further secured by personal guarantee of a director.	—	<u>2,313,526</u>
<b>Other loans and advances</b>		
Term - loan*		
— Secured against hypothecation of specific vehicles financed	—	<u>2,800,793</u>
* (Term loans repayable within one year Rs. Nil)		
Working capital loan (Secured by way of holding securities includes Shares/Mutual Fund units/AA and above rated bonds and further secured by personal guarantee of promoter)	<u>60,700,603</u>	—
<b>Unsecured Loan</b>		
Loan from bodies corporate	<u>115,008,877</u>	—
	<u><u>175,709,480</u></u>	<u><u>506,973,256</u></u>

*Schedules forming part of the consolidated balance sheet as at 31st March, 2011*

**Schedule – 4  
Fixed Assets**

**(Amount in Indian Rupees)**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions during the Year	Deletion / Adjust- ments during the year	As at 31.03.2011	Up to 01.04.2010	For the year	Deletions / Adjust- ments during the Year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Computer and Peripherals	93,300	—	—	<b>93,300</b>	92,824	476	—	<b>93,300</b>	—	476
Furniture and Fittings	1,368,383	—	—	<b>1,368,383</b>	413,852	85,379	—	<b>499,231</b>	<b>869,152</b>	954,531
Office Equipments	13,800	8,000	—	<b>21,800</b>	3,941	681	—	<b>4,622</b>	<b>17,178</b>	9,859
<b>Total</b>	<b>1,475,483</b>	<b>8,000</b>	<b>—</b>	<b>1,483,483</b>	<b>510,617</b>	<b>86,536</b>	<b>—</b>	<b>597,153</b>	<b>886,330</b>	<b>964,866</b>
Previous Year	1,475,483	16,829,241	21,514,308	<b>180,880,713</b>	788,822	19,934,554	4,693,785	<b>60,318,669</b>	<b>120,562,044</b>	686,661

Capital work in progress (including capital advances)

**8,815,950**      963,725

## Schedules forming part of the consolidated balance sheet as at 31st March, 2011

(Amount in Indian Rupees)

Particulars	As at 31 March 2011	As at 31 March 2010
<b>Schedule – 5</b>		
<b>Investments, long-term</b>		
<b>Trade investment (unquoted, at cost)</b>		
Almondz Re-insurance Brokers Private Limited	—	1,227,600
	—	1,227,600
<b>Other non-trade investments</b>		
<b>(I) Investment in shares</b>		
<b>a) Quoted (fully paid-up, at cost)</b>		
Indo Korea Sports Limited (389,600/- equity shares of Rs.10 each)	—	3,896,000
Ritesh Polyester Limited (34,600/- equity shares of Rs.10 each)	—	523,860
Ecoplast India Limited (2,500/- equity shares of Rs. 10 each)	—	20,000
Vantech Industries Limited (3,000/- equity shares of Rs.10 each)	—	30,000
IDFC Arbitrage plus fund (229,760.406/- units of Rs.10 each, fully paid up)	—	2,500,000
Yes bank 09.65% 2020 (10 bonds of Rs. 1,000,000 each, fully paid up)	—	9,999,000
Religare Arbitrage fund (253,034.83/- units of Rs.10 each, fully paid up)	—	2,591,364
Almondz Global Securities Limited (1,26,53,314/- equity shares of Rs. 6 each)	342,972,433	—
Add: Income / (losses) from associate during the year	46,742,776	—
	<b>389,715,209</b>	—
	<b>389,715,209</b>	19,560,224
<b>Less: Diminution in the value of investments</b>	<b>—</b>	<b>4,469,860</b>
	<b>389,715,209</b>	<b>15,090,364</b>
<b>b) Unquoted (fully paid-up, at cost)</b>		
Dijit Prognosys Private Limited (3,000/- equity shares of Rs.100 each)	—	300,000
Globus Industries and Services Ltd. (10,000/- equity shares of Rs.10 each)	100,000	100,000
Latitude 23 Communications Ltd. (75,000/- equity shares of Rs.10 each)	750,000	750,000
Shivaz Spas & Hospitality Pvt. Ltd. (20,000/- equity shares of Rs.10 each)	200,000	200,000
Almondz Commodities Pvt Ltd. (2,50,000/- equity shares of Rs.10 each)	2,500,000	—
	<b>3,550,000</b>	1,350,000
<b>Less: Diminution in the value of investment</b>	<b>588,700</b>	<b>1,050,000</b>
	<b>2,961,300</b>	<b>300,000</b>
<b>Investment in Government Securities</b>		
National Savings Certificate	23,000	23,000
Less: Diminution in the value of investment	23,000	—
	—	23,000
<b>Investment in mutual funds (Quoted)</b>		
Principal Liquid Management Fund - Growth Fund 40,578.001/- units of Rs.10 each	—	550,566
Canara Robeco Mutual Fund 2,48,632.5211 units of Rs.10.0550/- each	2,500,000	—
<b>Total</b>	<b>395,176,509</b>	<b>17,191,530</b>

*Schedules forming part of the consolidated balance sheet as at 31st March, 2011*

(Amount in Indian Rupees)

Particulars	As at 31 March 2011	As at 31 March 2010
<b>Schedule – 6</b>		
<b>Stock-in-trade</b>		
Equity shares - quoted at cost	116,558,909	197,490,874
Corporate, Central government and State government bonds	2,759,000	731,845,474
	119,317,909	929,336,348
<b>Schedule – 7</b>		
<b>Sundry debtors</b>		
Secured, considered good		
— outstanding for more than six months	—	—
— other debts	—	81,415,755
	—	81,415,755
Unsecured, considered good		
— more than six months	13,500,000	148,367
— other debts	4,687,750	52,760,356
	18,187,750	52,908,723
Unsecured, considered doubtful	—	5,656,835
Less : Provision for doubtful debts	—	5,656,835
	—	—
	18,187,750	134,324,478
<b>Schedule – 8</b>		
<b>Cash and bank balances</b>		
Cash in hand	492,368	2,203,590
Balances with scheduled banks		
— on current account	7,965,837	186,788,762
— on deposit account	—	171,258,156
	7,965,837	358,046,918
	8,458,205	360,250,508
<b>Schedule – 9</b>		
<b>Loans and advances</b>		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	9,680,641	57,412,227
Loans to body corporate and others	112,337,731	123,556,777
Inter corporate deposits	—	12,500,000
Security deposits	281,250	85,612,893
Prepaid expenses	13,689	8,527,851
MAT credit entitlement	2,045,960	2,045,960
Balance with service tax authorities	931,496	2,215,366
Advance income tax and tax deducted at source (Net of provision of Rs. 92,41,862/-)	1,715,658	27,555,978
	127,006,425	319,427,052

**ALMONDZ CAPITAL CONSOLIDATED FINANCIAL STATEMENTS**
*Schedules forming part of the consolidated balance sheet as at 31st March, 2011*
**(Amount in Indian Rupees)**

Particulars	As at 31 March 2011	As at 31 March 2010
<b>Schedule – 10</b>		
<b>Other current assets</b>		
Interest accrued on bonds / securities	—	7,951,951
Interest accrued on fixed deposits but not due	—	4,008,362
	<u>—</u>	<u>11,960,313</u>
	<u>—</u>	<u>—</u>
<b>Schedule – 11</b>		
<b>Current Liabilities and provisions</b>		
<b>Current liabilities</b>		
Sundry creditors		
Due to creditors other than micro and small enterprises (Refer to note 14 of schedule 18)	40,285	19,257,732
Book overdraft	—	11,950,116
Due to clients	—	147,670,703
	<u>40,285</u>	<u>178,878,551</u>
Advances and margin money from customers	—	2,955,274
Expenses payable	4,057,748	44,448,934
Security deposits received	—	3,744,515
Statutory dues	2,436,928	17,584,185
Unpaid dividend *	319,513	2,250,865
	<u>6,854,474</u>	<u>249,862,324</u>
<b>Provisions</b>		
Provision for retirement benefits	113,631	10,024,798
Provision for wealth tax	—	46,337
Contingent provision for standard assets	280,844	—
	<u>394,475</u>	<u>10,071,135</u>
	<u>7,248,949</u>	<u>259,933,459</u>

**Note**

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

Dividend for the financial year	Declared on	Due by		
2004-05	28 September 2005	28 September 2012	—	568,356
2005-06	30 September 2006	30 September 2013	117,664	715,924
2006-07	18 September 2007	18 September 2014	201,849	673,136
2007-08	24 September 2008	24 September 2015	—	170,132
2008-09	24 September 2009	24 September 2016	—	123,317

*Schedules forming part of the consolidated profit and loss account for the year ended 31st March, 2011*

Particulars	(Amount in Indian Rupees)	
	Year ended 31 March 2011	Year ended 31 March 2010
<b>Schedule – 12</b>		
<b>Broking activities</b>		
Arranger fee	—	17,799,417
Commission and brokerage from distribution operations	—	136,939,001
Commission and brokerage from equity stock broking operations	—	109,333,635
Delayed payment charges	—	12,297,545
Brokerage on commodities broking operation	—	10,566,128
Brokerage on insurance and re-insurance	—	10,425,669
	<u>—</u>	<u>297,361,395</u>
<b>Schedule – 13</b>		
<b>Trading in shares and securities</b>		
<b>Net Income on trading of shares / securities</b>		
<b>Trading of shares</b>		
Opening stock of shares	2,056,220	17,625,270
Add : Cost of shares purchased	1,796,926,478	2,157,451,114
	<u>1,798,982,698</u>	<u>2,175,076,384</u>
Less : Closing stock of shares	116,558,909	197,490,874
Cost of shares sold	1,682,423,789	1,977,585,510
Less : Sale of shares	1,717,593,208	2,089,402,701
	<u>35,169,419</u>	<u>111,817,191</u>
	<u>(29,200,043)</u>	<u>(16,814,124)</u>
<b>Profit / (Loss) on derivatives</b>		
<b>Trading of securities / bonds</b>		
Opening stock of securities	47,915,000	253,905,386
Add : Cost of securities purchased	225,983,000	31,676,189,293
	<u>273,898,000</u>	<u>31,930,094,679</u>
Less : Closing stock of securities	2,759,000	731,845,474
Cost of securities sold	271,139,000	31,198,249,205
Less : Sale of securities	290,340,138	31,503,926,759
	<u>19,201,138</u>	<u>305,677,554</u>
	<u>—</u>	<u>2,402,241</u>
<b>Accrued interest on securities held as stock</b>	<u>25,170,514</u>	<u>403,082,862</u>
<b>Schedule – 14</b>		
<b>Other income</b>		
<b>Interest received</b>		
— On deposits with banks (gross of tax deducted at source Rs. 3,338/-)	33,379	11,709,180
— On deposits with others (gross of tax deducted at source Rs. 22,26,819/-)	25,525,906	4,767,206
	<u>25,559,285</u>	<u>16,476,386</u>
Dividend received from other investments	9,595,425	652,217
Mutual Fund Received	—	127,663
Advertisement income	—	493,210
Liabilities no longer required written back	—	490,861
Bad debts recovered	—	154,775
Profit on sale of Investments	—	5,014,448
Miscellaneous income	164	778,558
Excess provision for doubtful debtors written back	—	7,131,170
Excess provision for diminution in value of investment written back	138,300	—
	<u>35,293,174</u>	<u>31,319,288</u>



Schedules forming part of the consolidated profit and loss account for the year ended 31st March, 2011

(Amount in Indian Rupees)

Particulars	Year ended 31 March 2011	Year ended 31 March 2010
<b>Schedule – 15</b>		
<b>Personnel expenses</b>		
Salaries, bonus and other allowances	1,704,204	239,627,004
Contribution to provident and other funds	84	1,105,704
Provisions for employees benefits	74,466	1,822,337
Staff welfare	21,512	4,863,710
	<b>1,800,266</b>	<b>247,418,755</b>
<b>Schedule – 16</b>		
<b>Administrative and other expenses</b>		
Traveling and conveyance	137,888	9,416,534
Communication	133,837	18,595,650
Rent	1,125,000	47,308,104
Rates and taxes	509,208	1,463,334
Electricity	16,679	8,920,414
Legal and professional charges	776,998	27,770,242
Printing and stationery	158,958	4,420,484
Business promotion	—	4,664,815
Advertisement	140,284	20,856,066
Computer maintenance	—	7,732,954
Office maintenance	—	4,775,245
Vehicle repair and maintenance	—	1,329,709
Charity and donations	2,100	661,811
Insurance	—	464,494
Bad debts written off	—	33,796,269
Provision for doubtful debts	—	472,000
Loss on error trades	—	172,611
Foreign exchange loss (net)	—	85,397
Fine and penalties	300	9,432
SEBI and stock exchange fee and charges	—	2,193,181
Loss on sale of assets (net)	—	6,487,573
Interest on late deposit of government dues	14,052	1,024,042
Other expenses	832,978	2,679,261
	<b>3,848,282</b>	<b>205,299,622</b>
Les : Recovery of expenses	<b>(2,070,000)</b>	<b>(6,456,989)</b>
	<b>1,778,282</b>	<b>198,842,633</b>
<b>Schedule – 17</b>		
<b>Finance charges</b>		
Bank charges	18,558	7,670,681
Interest	—	15,806,200
— on working capital loans from bank	26,639,959	34,493,406
— on working capital loans from others	—	926,728
— on term loan	<b>26,658,517</b>	<b>58,897,015</b>

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

**1. Principles of Consolidation**

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

S. No.	Name of the Subsidiary Company	Country of Incorporation	% of voting power held as at 31 March 2011
a)	Moon Orchid Housing Private Limited (incorporated on 01 December 2009)	India	100%
b)	Meadow Real Estate Private Limited (incorporated on 01 December 2009)	India	100%

**Note :**

During previous year ended 31-03-2011 Almondz Global Securities Limited (AGSL) was subsidiary of the company and accounts of AGSL were consolidated with the company accounts. During year ended 31-03-2011 AGSL ceases to be subsidiary of the company, accordingly accounts of AGSL have not been consolidated with the accounts of the company. In view of this figures of previous year are not comparable with figures of current year, upto that extent.

Accounts of AGSL upto the period, when holding-subsidiary relationship exists i.e, from 01-04-2010 to 10-06-2010 has not been consolidated as per AS-21, in view of clause 11 of AS-21. Accounts have been consolidated as per AS-23 for the period from 01-04-2010 to 31-03-2011.

- (ii) In the preparation of these Consolidated Financial Statements, investment in the Subsidiary company has been accounted for in accordance with AS 21 (Accounting for Consolidated Financial Statements) prescribed by Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared, subject to the above, on the following basis :
- Subsidiary company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.
  - 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.

- c. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2011.

**2. Significant accounting policies**

**(i) Basis of preparation**

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

**(ii) Use of estimates**

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

**(iii) Revenue recognition**

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

**(iv) Interest expense**

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

**(v) Expenditure**

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

**(vi) Retirements benefits**

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

**(a) Short term benefits**

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

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

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

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

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company makes contributions to the insurer's gratuity trust. The gratuity trust invests the contribution in insurer managed scheme. The gratuity liability is determined by an independent actuary appointed by the Company. Actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. Actuarial gains and losses are recognized immediately in the profit and loss account.

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

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

are recognized immediately in the profit and loss account.

**(vii) Fixed assets**

Fixed assets are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for intended use. Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use are capitalized. Advances paid towards acquisition of fixed assets and cost of assets not ready for use before the year end, are disclosed as capital work in progress.

**(viii) Impairment**

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

**(ix) Depreciation and amortisation**

- (a) Leasehold improvements are amortised over the lease period as stated in the lease agreement or over the estimated useful life, whichever is shorter.
- (b) Other assets are depreciated on straight-line method at rates specified in Schedule XIV to the Companies Act, 1956 from the date of put to use until the date of sale.
- (c) Depreciation on assets costing up to Rs. 5,000 are depreciated at the rate of 100% on pro-rata basis.
- (d) Depreciation on additions to assets or on sale/ adjustment of assets is calculated pro-rata from the date of such addition or up to the date of such sale / adjustment.
- (e) Intangible assets are recorded at cost and amortised over the period the Company expects to derive economic benefits from their use.

**(x) Investments**

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term investments. Current investments are valued at lower of cost and market value e.g. quoted shares, unquoted shares, government securities and non government securities/bonds. The diminution in current investments is charged to the profit

and loss account; appreciation, if any, is recognised at the time of sale. Long-term investments, including investments in subsidiaries, are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer.

**(xi) Foreign currency transactions**

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

**(xii) Taxation**

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

reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

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

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

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

**(xiv) Earnings per share**

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

**(xv) Operating leases taken**

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

**3. Contingent Liabilities**

		Amount (Rs.)	
	Particulars	As at 31 March 2011	As at 31 March 2010
1	Corporate Guarantee issued by the company in favour of Axis Bank Limited for various bank limits granted to Almondz Global Securities Limited.	305,000,000	305,000,000

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

Particulars	Amount (Rs.)	
	As at 31 March 2011	As at 31 March 2010
<b>Expenses</b>		
Brokerage and commission	—	20,869
Legal and professional charges	11,000	808
Professional charges	—	550,500
Communication expenses	1,374	361,283
Rent and property related costs (including straight lining of operating leases)	—	206,187
Others	13,791	120,547
<b>Prior period expenses</b>	<b>26,165</b>	<b>1,260,194</b>
<b>Income</b>		
Others	(2,023)	78,055
<b>Prior period income</b>	<b>(2,023)</b>	<b>78,055</b>
<b>Prior period expenses (Net)</b>	<b>28,188</b>	<b>1,182,139</b>

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

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

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

Particulars	Gratuity (Rs.)	Gratuity (Rs.)
	Year ended 31 March 2011	Year ended 31 March 2010
Opening defined benefit obligation	79,170	11,154,840
Interest cost	6,729	882,177
Current service cost	29,985	4,066,327
Actual return on plan assets	—	591,362
Benefits paid	—	(446)
Actuarial (gain)/loss on obligation	28,724	(2,998,776)
Closing defined benefit obligation	144,608	13,104,111

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

Particulars	Gratuity (Rs.)	Gratuity (Rs.)
	Year ended 31 March 2011	Year ended 31 March 2010
Opening fair value of plan assets	101,919	7,461,909
Expected return	8,663	596,953
Contributions by employer	—	2,317,838
Benefits paid	—	(446)
Actuarial gain/(losses)	(955)	461
Closing fair value of plan assets	109,627	10,376,704

iii) **Profit and Loss Account :**

Particulars	Gratuity (Rs.)	Gratuity (Rs.)
	Year ended 31 March 2011	Year ended 31 March 2010
Current service cost	29,985	4,066,327
Interest cost	6,729	882,177
Expected return on plan assets	(8,663)	(596,953)
Actuarial (gain)/loss	29,679	(2,999,237)
Net benefit expense	57,730	1,352,314
Actual return on plan assets	7,708	597,414

iv) **Balance sheet :**

Particulars	Gratuity (Rs.)	Gratuity (Rs.)
	Year ended 31 March 2011	Year ended 31 March 2010
Defined benefit obligation	144,608	13,104,111
Fair value of plan assets	109,627	10,376,704
Plan (Liability)/Asset	(34,981)	(2,727,407)

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

Particulars	Amount (Rs.)			
	Gratuity		Leave Encashment	
	2010 - 11	2009 - 10	2010 - 11	2009 - 10
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.50%	8.50%	8.50%	8.50%
Expected rate of return on plan assets	8.50%	8.50%	0.00%	0.00%
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years	1%*	1%*	1%	1%
Above 30 years but up to 44 years	1%*	1%*	1%	1%
Above 44 years	1%*	1%*	1%	1%

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

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

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

6. **Managerial Remuneration**

Particulars	Amount (Rs.)	
	31 March 2011	31 March 2010
Salary and other allowances	1,118,704	17,709,700
Expenditure on rent free accommodation	—	3,600,000
Value of Perquisites	—	993,521
<b>Total</b>	<b>1,118,704</b>	<b>22,303,221</b>

## 7. Details of income and expenditure in foreign currency :

## Income earned in foreign Currency

Amount (Rs.)

S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
1	Brokerage	—	14,636,556
	<b>Total</b>	—	14,636,556

## Expenditure incurred in foreign Currency

Amount (Rs.)

S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
1	Travelling Expenses	—	268,204
2	Membership & Subscription	—	47,129
3	Books & Periodicals Expenses	—	5,285
4	Bank charges	—	62,515
5	E reinsured expenses	—	120,122
6	Conference expenses	—	33,506
	<b>Total</b>		<b>536,761</b>

## 8. Deferred tax :

Amount (Rs.)

Components	As at 31 March 2011		As at 31 March 2010	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Fixed Assets	604,336	—	712,921	11,924,366
Provision for doubtful debts	—	—	982,316	—
Provision for diminution in investments	—	—	4,448,766	—
Stamp duty under protest	—	—	1,910,715	—
Provision for retirement benefits	—	131,034	3,366,602	21,045
Others	—	—	3,472,945	—
Miscellaneous expenditure to the extent not written off or adjusted	100,242	—	335,320	—
Unabsorbed Depreciation	—	—	1,193,577	—
Unabsorbed Capital Loss	7,582,392	—	7,758,726	—
<b>Total</b>	<b>8,286,970</b>	<b>131,034</b>	<b>24,181,889</b>	<b>11,945,411</b>
Net deferred tax liability / (Assets)	—	(8,155,936)	—	(12,236,478)
Less : Not recognised in financials (see remark below)	—	(8,155,936)	—	(9,662,679)
As per financials	—	—	—	(2,573,799)

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

**9. Earnings per share :**

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

	Year ended 31 March 2011	Year ended 31 March 2010
Net Profit After Tax available for equity shareholders (A)	<b>69,161,773</b>	66,844,246
Weighted average number of equity shares for Basic EPS (B)	<b>12,306,667</b>	10,015,900
Add: Weighted average number of potential equity shares that could arise on conversion of option warrants having dilution effect	<b>1,008,219</b>	1,480,932
Weighted average number of equity shares for Diluted EPS (C)	<b>13,314,886</b>	11,496,832
<b>Basic EPS (A/B)</b>	<b>5.62</b>	6.67
<b>Diluted EPS (A/C)</b>	<b>5.19</b>	5.81

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

**Amount (Rs.)**

S. No.	Particulars	2010-11	2009-10
	<b>Statutory Auditors</b>		
1	Audit fee	<b>105,000</b>	955,000
2	Limited review	<b>45,000</b>	900,000
3	Certification fee	<b>18,000</b>	170,003
4	Out of pocket expenses	—	137,841
	<b>Total</b>	<b>168,000</b>	2,162,844

**11. Related Party Disclosure**

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

**(i) Associates**

- Almondz Global Securities Limited
- Almondz Insurance Brokers Private Limited
- Almondz Finanz Limited
- Almondz Commodities Private Limited

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

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

**(iii) Key Managerial Personnel :**

- Mr. Ramesh Peer

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

S.No.	Particulars	Amount 31-03-2011	Amount 31-03-2010
<b>1)</b>	<b>Transactions During the Year</b>		
(A)	<b>Income</b>	<b>65,464,828</b>	<b>2,130,503</b>
a	<b>Interest received</b>	<b>7,173,864</b>	<b>751,480</b>
	<b>Associates</b>	<b>7,173,864</b>	<b>751,480</b>
	Shivaz Spas & Hospitality Private Limited	—	751,480
	Almondz Finanz Limited	6,883,234	—
	Almondz Global Securities Limited	290,630	—
b	<b>Dividend Received</b>	<b>5,314,392</b>	<b>109,500</b>
	<b>Associates</b>	<b>5,314,392</b>	<b>109,500</b>
	Almondz Insurance Brokers Private Limited	—	109,500
	Almondz Global Securities Limited	5,314,392	—



S.No.	Particulars	Amount 31-03-2011	Amount 31-03-2010
c	<b>Recovery of reimbursable expenses</b>	<b>2,283,216</b>	<b>1,205,273</b>
	<b>Associates</b>	<b>2,283,216</b>	<b>1,205,273</b>
	Almondz Insurance Brokers Private Limited	297,816	1,205,273
	Almondz Global Securities Limited	1,985,400	—
d	<b>Brokerage received</b>	—	<b>52,594</b>
	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	—	<b>6,200</b>
	Innovative Money Matters Private Limited	—	6,200
	<b>Key Managerial Personnel</b>	—	<b>33,305</b>
	Jagdeep Singh	—	24,973
	Vinay Mehta	—	7,332
	Navjeet Singh Sobti	—	1,000
	<b>Relatives of Key Managerial Personnel</b>	—	<b>13,089</b>
	Jagdeep Singh (HUF)	—	1,475
	Parmeet Kaur	—	9,432
	Others	—	2,182
e	<b>Delay payment charges received on broking activities</b>	—	<b>9,781</b>
	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	—	<b>7,940</b>
	Innovative Money Matters Private Limited	—	7,940
	<b>Key Managerial Personnel</b>	—	<b>1,146</b>
	Jagdeep Singh	—	1,146
	<b>Relatives of Key Managerial Personnel</b>	—	<b>695</b>
	Parmeet Kaur	—	683
	Others	—	12
f	<b>Depository charges received on broking activities</b>	—	<b>1,875</b>
	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	—	<b>1,103</b>
	Innovative Money Matters Private Limited	—	1,103
	<b>Key Managerial Personnel</b>	—	<b>337</b>
	Jagdeep Singh	—	233
	Vinay Mehta	—	104
	<b>Relatives of Key Managerial Personnel</b>	—	<b>435</b>
	Parmeet Kaur	—	295
	Bulbuldhir Mehta	—	50
	Jagdeep Singh (HUF)	—	64
	Others	—	26
g	<b>Sale of Securities</b>	<b>50,693,356</b>	—
	<b>Associates</b>	<b>50,693,356</b>	—
	Almondz Global Securities Limited	50,693,356	—

S.No.	Particulars	Amount 31-03-2011	Amount 31-03-2010
(B)	<b>Expenditure</b>	<b>14,158,004</b>	<b>60,726,387</b>
a	<b>Managerial Remuneration</b>	<b>1,118,704</b>	<b>29,759,439</b>
	<b>Key Managerial Personnel</b>	<b>1,118,704</b>	<b>29,759,439</b>
	Navjeet Singh Sobti	—	9,724,909
	Ramesh Peer	1,118,704	812,500
	Jagdeep Singh	—	4,408,362
	Vinay Mehta	—	7,357,450
	Salil Ranjan Das	—	3,791,918
	Others	—	3,664,300
b	<b>Rent Expenses</b>	—	<b>3,600,000</b>
	<b>Relatives of Key Managerial Personnel</b>	—	<b>3,600,000</b>
	Gurpreet N S Sobti	—	3,600,000
c	<b>Dividend Paid</b>	—	<b>368,934</b>
	<b>Associates</b>	—	<b>10,000</b>
	Almondz Insurance Brokers Private Limited	—	10,000
	<b>Key Managerial Personnel</b>	—	<b>137,645</b>
	Navjeet Singh Sobti	—	15,835
	Jagdeep Singh	—	86,185
	Rohit Jain	—	35,625
	<b>Relatives of Key Managerial Personnel</b>	—	<b>221,289</b>
	Gurpreet N S Sobti	—	15,000
	R C Jain & Sons (HUF)	—	22,500
	Rohit Jain (HUF)	—	30,000
	Veena Jain	—	56,750
	Anu Jain	—	37,500
	Others	—	59,539
d	<b>Bad Debts</b>	—	<b>26,998,014</b>
	<b>Associates</b>	—	<b>26,998,014</b>
	Shivaz Spas & Hospitality Private Limited	—	26,998,014
e	<b>Interest Paid</b>	<b>745,438</b>	—
	<b>Associates</b>	<b>745,438</b>	—
	Almondz Global Securities Limited	713,424	—
	Almondz Finanz Limited	32,014	—
f	<b>Expenses Reimbursed</b>	<b>17,435</b>	—
	<b>Associates</b>	<b>17,435</b>	—
	Almondz Global Securities Limited	17,435	—
g	<b>Brokerage and DP Charges</b>	<b>12,276,427</b>	—
	<b>Associates</b>	<b>12,276,427</b>	—
	Almondz Global Securities Limited	12,276,427	—

S.No.	Particulars	Amount 31-03-2011	Amount 31-03-2010
(C)	<b>Assets / Liabilities</b>		
a	<b>Investments made during the year</b>	<b>2,500,000</b>	<b>2,227,056</b>
	<b>Associates</b>	<b>2,500,000</b>	—
	Almondz Commodities Pvt Ltd	2,500,000	—
	<b>Investment of Almondz Insurance Brokers Pvt. Ltd. purchased from following related parties during the year</b>		
	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	—	<b>2,078,584</b>
	Innovative Money Matters Private Limited	—	2,078,584
	<b>Key Managerial Personnel</b>	—	<b>148,472</b>
	Navjeet Singh Sobti	—	74,236
	Jagdeep Singh	—	74,236
b	<b>Loans and Advances</b>	<b>424,600,000</b>	<b>12,571,691</b>
	<b>Loan paid/adjustments during the year</b>		
	<b>Associates</b>	<b>424,600,000</b>	<b>12,571,691</b>
	Shiivaz Spas & Hospitality Private Limited	—	12,571,691
	Almondz Global Securities Limited	26,800,000	—
	Almondz Finanz Limited	397,800,000	—
	<b>Loan Receipts/adjustments during the year</b>		
	<b>Associates</b>	<b>393,350,000</b>	<b>26,998,014</b>
	Shiivaz Spas & Hospitality Private Limited	—	26,998,014
	Almondz Global Securities Limited	26,800,000	—
	Almondz Finanz Limited	366,550,000	—
c	<b>Advance against Option Warrant</b>	—	<b>64,560,650</b>
	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	—	<b>64,560,650</b>
	Innovative Money Matters Private Limited	—	64,560,650
d	<b>Share Capital/Premium received</b>	<b>14,124,000</b>	—
	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	<b>14,124,000</b>	—
	Innovative Money Matters Private Limited	14,124,000	—
e	<b>Unsecured Loan</b>		
	<b>Loan taken during the year</b>	<b>436,150,000</b>	—
	<b>Associates</b>	<b>436,150,000</b>	—
	Almondz Global Securities Limited	430,000,000	—
	Almondz Finanz Limited	6,150,000	—
	<b>Loan Repayment during the year</b>	<b>416,150,000</b>	—
	<b>Associates</b>	<b>416,150,000</b>	—
	Almondz Global Securities Limited	410,000,000	—
	Almondz Finanz Limited	6,150,000	—

S.No.	Particulars	Amount 31-03-2011	Amount 31-03-2010
2)	<b>Closing balance as at March 31, 2011</b>		
a	<b>Debtors / Receivables</b>	<b>9,445,214</b>	<b>1,757</b>
	<b>Associates</b>	<b>9,445,214</b>	<b>—</b>
	Almondz Global Securities Limited	9,445,214	—
	<b>Relatives of Key Managerial Personnel</b>	<b>—</b>	<b>1,757</b>
	Parmeet Kaur	—	652
	Others	—	1,105
b	<b>Investments</b>	<b>345,472,433</b>	<b>200,000</b>
	<b>Associates</b>	<b>345,472,433</b>	<b>200,000</b>
	Shiivaz Spas & Hospitality Private Limited	—	200,000
	Almondz Commodities Pvt Ltd	2,500,000	—
	Almondz Global Securities Limited	342,972,433	—
c	<b>Loan and Advances</b>	<b>31,250,000</b>	<b>—</b>
	<b>Associates</b>	<b>31,250,000</b>	<b>—</b>
	Almondz Finanz Limited	31,250,000	—
d	<b>Unsecured Loan</b>	<b>100,000,000</b>	<b>—</b>
	<b>Associates</b>	<b>100,000,000</b>	<b>—</b>
	Almondz Global Securities Limited	100,000,000	—
e	<b>Creditors / Payables</b>	<b>—</b>	<b>420,172</b>
	<b>Key Managerial Personnel</b>	<b>—</b>	<b>403,784</b>
	Jagdeep Singh	—	403,784
	<b>Relatives of Key Managerial Personnel</b>	<b>—</b>	<b>16,388</b>
	Jagdeep Singh (HUF)	—	13,104
	Bulbul Dhir Mehta	—	2,784
	Others	—	500
f	<b>Employee stock options granted during the year (in numbers)</b>	<b>—</b>	<b>250,000</b>
	<b>Key Managerial Personnel</b>	<b>—</b>	<b>250,000</b>
	Jagdeep Singh	—	250,000
g	<b>Employee stock options outstanding (in numbers)</b>	<b>—</b>	<b>1,750,000</b>
	<b>Key Managerial Personnel</b>	<b>—</b>	<b>1,750,000</b>
	Vinay Mehta	—	1,000,000
	Jagdeep Singh	—	750,000

## 12. Segment Reporting

For the year ended 31 March 2011

Amount (Rs.)

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
<b>Segment Revenue</b>				
<b>Gross Segment Revenue</b>	16,682,342	60,325,224	138,464	77,146,030
<b>Less : Inter Segment Adjustment</b>	—	—	—	—
<b>Net Segment Revenue</b>	16,682,342	60,325,224	138,464	77,146,030
Segment Results				
<b>Segment Result before prior period Items</b>	8,182,342	34,124,484	(3,184,567)	39,122,259
<b>Add : Interest income</b>	—	25,559,285	—	25,559,285
<b>Less : Interest expenses</b>	—	26,639,959	—	26,639,959
<b>Prior Period Expenses / (Income)</b>	—	—	28,188	28,188
<b>Profit before Tax</b>	8,182,342	33,043,810	(3,212,755)	38,013,397
<b>Less : Provision for Tax</b>	—	—	9,980,620	9,980,620
<b>Profit after Tax</b>	8,182,342	33,043,810	(13,193,375)	28,032,777
Other Information				
<b>Segment Assets</b>	19,063,250	596,518,484	62,267,344	677,849,078
<b>Segment Liabilities</b>	4,455,903	176,138,536	2,363,990	182,958,429
<b>Capital Expenditure</b>	—	—	8,000	8,000
<b>Depreciation</b>	—	—	86,536	86,536
<b>Non cash expenditure other than depreciation (net of non-cash income)</b>	—	(138,300)	332,561	194,261

- **Primary Business Segments:** The Company's business segments have been classified as above. This business segregation forms the basis for review of operating performance by the management.
- **Fees and Commission activities** comprises of broking / commission / underwriting / arranger fees mainly in the nature of services involving no or negligible financial risk.
- **Income from Investments and trading** comprises of dividend received on shares, interest on Fixed Deposits, Profit on trading activities, Profit on sale of Investment & Interest on loan
- **The accounting policies** of the segments are the same, to the extent possible, as those described in the summary of significant accounting policies as referred to in Schedule '18' to the accounts.

For the year ended 31 March 2010

Amount (Rs.)

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

**Notes :**

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

- **Debt & Equity Market operations** comprises of profit on trading activities, dividend received on shares, interest on fixed deposits, profit on sale of investment and interest on loan.
- **Corporate finance** comprises merchant banking, underwriting commission, corporate and infrastructure advisory and loan syndication fees and arranger of debts/bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Distribution activities** comprises broking and commission of mutual funds, equity initial public offerings, capital gain bonds, fixed deposits of government undertakings and RBI taxable bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Equity division activities** comprise of Stock and Share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
- **Commodities broking operations** comprise broking operations related to trading of commodities in MCX and NCDEX and other related ancillary services.

(II) Accounting policies for segment reporting

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

**ALMONDZ CAPITAL CONSOLIDATED FINANCIAL STATEMENTS**

**13. Operating lease obligations**

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

Particulars	Amount (Rs.)	
	Year ended 31 March 2011	Year ended 31 March 2010
Lease payments for the year	<b>1,125,000</b>	47,948,736
Minimum Lease payments due-		
Not later than one year	—	39,820,464
Later than one year but not later than five years	—	109,927,846
Later than five years	—	46,655,470

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

As per our report of even date

For and on behalf of Board of Directors

**For H. V. & Associates**  
Chartered Accountants  
Firm Registration No. 010917N

**H.K. Chhabra**  
Proprietor  
(FCA – Membership No. 089616)  
New Delhi  
May 30, 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

**Govind Prasad Agrawal**  
Director

**Ramesh Peer**  
Managing Director

**Almondz Capital & Management Services Ltd. (Consolidated financial statements)  
Financial year ended 31 March 2011**

**Details of Subsidiary Companies pursuant to Section 212(8) of the Companies Act, 1956**

(Currency : Indian rupees in lacs)

Name of the Subsidiary Company	Moon Orchid Housing Private Limited	Meadow Real Estate Private Limited
Total issued Equity Share Capital of the Subsidiary Company	5.00	5.00
Reserves of the Subsidiary	—	—
Total Assets of the Subsidiary	45.35	45.35
Total Liabilities of the Subsidiary	40.35	40.35
Investments (other than in subsidiary companies)	—	—
Total Turnover	—	—
Profit/(Loss) before taxation	(0.18)	(0.18)
Provision for taxation (including Deferred Tax and Fringe Benefit tax)	—	—
Profit/(Loss) after taxation	(0.18)	(0.18)
Proposed dividend	—	—

For and on behalf of the Board of Directors

New Delhi  
9th August 2011

**Ajay Pratap**  
Assistant Vice President  
& Company Secretary

**Ramesh Peer**  
Managing Director

**Govind Prasad Agrawal**  
Director



## Corporate Information

<b>Board of Directors</b>	Mr. Govind Prasad Agrawal – Non-Executive Chairman Mr. Ramesh Peer – Managing Director Mr. Harjit Singh Sudershan Sethi – Non-Executive Director Mr. Chand Krishna Tikku – Non-Executive & Independent Director Mr. Sanjay Grover – Non-Executive & Independent Director Mr. Shiam Sunder Lal Gupta – Non-Executive & Independent Director
<b>Auditors</b>	M/s. H. K. Chhabra & Co., Chartered Accountants 324, Dhaka Chambers, 2068/38, Naiwala, Karol Bagh, New Delhi -110 005
<b>Assistant Vice President &amp; Company Secretary</b>	Mr. Ajay Pratap
<b>Bankers</b>	HDFC Bank Ltd. AXIS Bank Ltd. Punjab National Bank
<b>Registrar &amp; Share Transfer Agent</b>	M/s. Beetal Financial & Computer Services Pvt. Ltd. "Beetal House", 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062
<b>Registered Office</b>	2nd Floor, 3 Scindia House, Janpath, New Delhi-110 001

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**PROXY FORM**

**ALMONDZ CAPITAL & MANAGEMENT SERVICES 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 Thursday the 29th day of September, 2011, at 2.00 P. M. and at any adjournment thereof.

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

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

Signature(s).....

Address.....

Affix a Revenue Stamp of Re. 1/-

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office at 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001 not less than 48 hours before the meeting.

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



**ALMONDZ CAPITAL & MANAGEMENT SERVICES 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 Thursday the 29th day of September, 2011, at 2.00 P. M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054,

Client I. D.No. ....

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

Signature of the Shareholder/Proxy

**Notes :**

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