

## Corporate Information

### Board of Directors

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

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

### Auditors

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

### Company Secretary & Compliance Officer

Ajay Pratap

### Bankers

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

### Registered Office

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

### Registrar & Share Transfer Agent

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

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## Notice

### TO THE SHAREHOLDERS,

NOTICE is hereby given that the 19th Annual General Meeting of the Members of ALMONDZ GLOBAL SECURITIES LIMITED will be held on Monday, the 23rd day of September 2013, at 12.00 Noon at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054, to transact the following business :

### ORDINARY BUSINESS :

1. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the Audited Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss of the Company for the year ended on that date, together with Directors' Report and Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted."
2. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Atul Kumar Shukla, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
3. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Surendar Kumar Sood, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
4. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the retiring Auditors M/s. AVK & Associates, Chartered Accountants, (New Delhi), Registration No. 002638N, be and are hereby, re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with the Audit Committee thereof."

### SPECIAL BUSINESS :

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

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

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

**NOTES :**

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

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

11. Those Members who have not so far encashed their Dividend Warrants for the Accounting Year ended 31st March, 2006 or any subsequent years, may immediately approach the Company / Share Transfer Agent for issuance of Demand Drafts in lieu thereof.
  12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
  13. The Company is registered with the following depositories for dematerialization of its Equity Shares :
    - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.
    - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400001.

The Registration No. granted by NSDL & CDSL is ISIN INE-326B01027.
  14. As per the provisions of Section 109A of the Companies Act, 1956, facility for making nominations is available to the Members, in respect of Equity Shares, held by them. Requests for nomination facility should be made in the prescribed form (Form 2B) a copy of which can be obtained on request from the Registered Office of the Company.
  15. Members desiring any information / clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
  16. Re-appointment / Appointment of Directors: At the ensuing Annual General Meeting, Mr. Atul Kumar Shukla and Mr. Surendar Kumar Sood, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. In the ensuing Annual General Meeting.
- The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreements, are furnished in the Statement on Corporate Governance in this Annual Report.

By Order of the Board of Directors

New Delhi  
August 13, 2013

**AJAY PRATAP**  
Company Secretary

## Explanatory Statement

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

**Item No. 5**

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

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

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

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

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

By Order of the Board of Directors

New Delhi  
August 13, 2013

**AJAY PRATAP**  
Company Secretary

**LAST SEVEN YEARS AT A GLANCE**

Rs. In Lacs\*

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

\* Figures may vary on account of reclassification

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

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## Directors' Report

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

### 1. Financial Results

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

(Rs. in Lacs)

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

### 2. Dividend

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

### 3. Standalone & Consolidated Financials

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

### 4. Human Resources

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

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

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

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

### 5. Consolidated Financial Results

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

### 6. Cash Flow Statement

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

### 7. Corporate Governance

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

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

### 8. Corporate Governance Report and Management Discussion and Analysis Statement

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

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

### 9. Policy on Insider Trading

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

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

#### **10. Directors' Responsibility Statement**

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

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

#### **11. Subsidiary Companies**

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

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

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

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

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

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

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

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

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

#### **13. Fixed Deposits**

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

#### **14. Directors**

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

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

#### **15. Employees Stock Option Plan**

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

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

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

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

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

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

#### 16. Issuance of Equity Shares

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

#### 17. Listing of Equity Shares

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

#### 18. Ratings for Term Funding

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

#### 19. Auditors & Auditors' Report

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

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

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

#### 20. Particulars of Employees

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

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

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

#### 22. Foreign Exchange Earnings & Outgo

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

Earnings : Nil

Outgo : Rs. 20,000/-

#### 23. Acknowledgements

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

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

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

For and on behalf of the Board of Directors

**ATUL KUMAR SHUKLA**  
Chairman

New Delhi  
August 13, 2013

**Annexure 'A' to Directors' Report**

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

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

**Annexure 'B' to Directors' Report**

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

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



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

## Management Discussion and Analysis Report

### FORWARD LOOKING STATEMENTS

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

### (A) INDUSTRY STRUCTURE & DEVELOPMENT

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

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

### Industry overview

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

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

### (B) OPPORTUNITIES & THREATS

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

### (C) SEGMENT-WISE PERFORMANCE

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

Rs. in Lacs)

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