

## Corporate Information

<b>Board of Directors</b>	<hr/> 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 <hr/> <p>* Mr. Harjit Singh Sudershan Sethi has been appointed as an Additional Director of the Company w.e.f. 29th May, 2010</p> <hr/>
<b>Auditors</b>	<hr/> M/s. H. V. & Associates Chartered Accountants 324, Dhaka Chambers, 2068/38, Naiwala, Karol Bagh, New Delhi-110 005 <hr/>
<b>Company Secretary</b>	<hr/> Mr. Ajay Pratap <hr/>
<b>Bankers</b>	<hr/> HDFC Bank Ltd. AXIS Bank Ltd. <hr/>
<b>Registrar &amp; Share Transfer Agent</b>	<hr/> 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 <hr/>
<b>Registered Office</b>	<hr/> 4A, 3rd Floor, 3 Scindia House, Janpath, New Delhi-110 001 <hr/>

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## Notice

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

### ORDINARY BUSINESS :

1. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account of the Company for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted."
2. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Sanjay Grover, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
3. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the retiring Auditors M/s. H. V. & Associates, Chartered Accountants, New Delhi, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with the Audit Committee thereof."

### SPECIAL BUSINESS :

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Harjit Singh Sudershan Sethi, who was appointed as an Additional Director of the Company and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956, at the ensuing Annual General Meeting, and in respect of whom, the Company has received a notice in writing proposing his candidature for the office of the Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby, appointed as the Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

New Delhi  
13th August, 2010

**Ajay Pratap**  
Company Secretary

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN WRITING, SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement for Item No. 4 of this Notice is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.
6. Members who hold shares in the Dematerialised form, are requested to write their Client ID and DP ID Numbers and those who hold shares in the Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. All documents referred to in the accompanying Notice shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Register of Members of the Company will remain closed from 18th September 2010 to 28th September 2010 (both days inclusive).
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Members are requested to intimate the Registrar and Share Transfer Agent of the Company - M/s Beetal Financial & Computer Services (P) Ltd. "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062 , immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in Dematerialised form.
11. Re-appointment / Appointment of Directors :  
At the ensuing Annual General Meeting, Mr. Sanjay Grover, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment. Mr. Sanjay Grover does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

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

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

By Order of the Board of Directors

New Delhi  
13th August, 2010

**Ajay Pratap**  
Company Secretary

## Explanatory Statement

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

### Item No. 4

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

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

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

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

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

By Order of the Board of Directors

New Delhi  
13th August, 2010

**Ajay Pratap**  
Company Secretary

## Directors' Report

### To the Members,

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

### FINANCIAL HIGHLIGHTS

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

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

### RESULTS & PERFORMANCE OF THE COMPANY

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

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

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

### RBI GUIDELINES

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

### INVESTMENTS

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

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

### DIVIDEND

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

### SHARE CAPITAL

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

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

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

### ISSUE OF NCDs

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

### **FIXED DEPOSITS**

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

### **SUBSIDIARY COMPANIES**

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

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

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

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

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

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

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

Further,

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

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

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **DIRECTORS**

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

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

### **AUDITORS AND AUDITORS' REPORT**

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

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

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

#### **STATUTORY STATEMENT**

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

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

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

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

#### **CORPORATE GOVERNANCE**

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

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

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

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

#### **GROUP**

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

Mr. Navjeet Singh Sobti

Ms. Gurpreet N S Sobti

Innovative Money Matters Pvt. Ltd.

Almondz Global Securities Ltd.

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

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

#### **ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

**Ramesh Peer**  
Managing Director

**G. P. Agrawal**  
Director

New Delhi  
13th August, 2010

## Corporate Governance Report

### COMPANY'S PHILOSOPHY ON GOVERNANCE

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

### BOARD OF DIRECTORS

#### (a) Composition :

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

None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the Companies in which he is a Director. As required under Clause 49 of the Listing Agreement, necessary

disclosures regarding committee positions have been made by the Directors.

#### Meetings and Attendance

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

#### Categories and Attendance of Directors

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

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

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

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

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

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

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

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

#### Mr. Harjit Singh Sudershan Sethi

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

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

#### Mr. Sanjay Grover

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

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

### **Committees of the Board**

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

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

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

### **AUDIT COMMITTEE**

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Sub-section (2AA) of Section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **COMPOSITION**

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

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

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



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

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

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

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

#### INTERNAL AUDITORS

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

#### REMUNERATION COMMITTEE

##### TERMS OF REFERENCE

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

##### COMPOSITION

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

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

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

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

#### REMUNERATION OF DIRECTORS

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

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

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

##### (a) Executive Directors :

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

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

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

#### SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

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

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

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

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

##### (a) Share Transfer :

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

(b) Shareholders' / Investors' Complaints :

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

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

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

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

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

**COMMITTEE FOR FURTHER ISSUE OF SHARES**

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

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

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

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

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

**POSTAL BALLOT**

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

**MEANS OF COMMUNICATION**

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

**MANAGEMENT COMMITTEE**

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

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

**DEBENTURE COMMITTEE**

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

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

**GENERAL BODY MEETINGS**

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

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

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

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

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