

ALACRITY
SECURITIES LIMITED

ANNUAL REPORT
2012-13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hiten Mehta
Mr. Jai Prakash Jindal
Mr. Kishore Shah
Ms .Pooja Mehta
Mr. Ramanand Gupta

Company Secretary & Compliance Officer

Ms. Nimita Jain

REGISTERED OFFICE

101, B Wing -Haridarshan Building,
Bhogilal Phadia Road, Near S V P Primary School,
Kandivali (West), Mumbai – 400067
Tel : 022-2807 3882
Fax :022-2807 3967
Email :info@alacritysec.com

AUDITORS

M/s. Lalit Kumar Dangi & Co.

Chartered Accountants
77,Mulji Jetha Bldg,3rd Floor,
185/187,Princess Street,
Marine Lines, Mumbai – 400002
Tel : 022-22066860
Fax : 022-22052224
Email : lkdangi_ca@mtnl.net.in

BANKERS

CANARA BANK
AXIS BANK
HDFC BANK

REGISTRAR & TRANSFER AGENT

Big Share Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai 400 072.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 19th Annual General Meeting of the members of **M/s. ALACRITY SECURITIES LTD**, will be held at 10.00 a.m. on Tuesday 30th September, 2013 at its Registered Office at 101-B, Hari Darshan, Bhogilal Fadia Road, Kandivali (W), Mumbai – 400067 to transact the following business:-

ORDINARY BUSINESS :-

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March 2013 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors.
2. To appoint Auditor and fix their remuneration

By Order of the Board

**Sd/-
DIRECTOR**

Place: MUMBAI

Date: 4th Sep. 2013

NOTE :

A member, entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

DIRECTOR'S REPORT

To
The Members,

The Directors of your Company have pleasure in presenting their 19th Annual Report together with the audited annual accounts for the financial year ended 31st March 2013.

FINANCIAL RESULTS	2012-13	2011-12
Gross Income	262465814.00	118389961.00
Profit/(Loss) Before Depreciation	(7247575.00)	4106024.00
Less: Depreciation	1748569.00	2036410.00
Profit/(Loss) Before Tax	(8996144.00)	2069614.00
Less: - Provision for tax	-	700000.00
Deferred Tax	(597872.00)	2189.00
Prior Period Tax	(1615.00)	-
MAT Credit Entitlement	-	329101.00
Profit/(Loss) After Tax	(8396657.00)	1038324.00
Profit Brought Forward from Last Year	99243027.00	99948041.00
Amount Available for Appropriation	90846370.00	100986365.00
Less: Appropriations		
Transfer to General Reserve	-	-
Capitalization during the year (Issue of Bonus Shares)	60000000.00	-
Proposed Dividend	-	1500000.00
Dividend tax thereon	-	243338.00
Surplus carried to Balance Sheet	30846370.00	99243027.00

OPERATION :

During the year the company has gross receipt of Rs. 2624.65 Lacs as against 1183.89 Lacs in previous year.

The Company has Net Loss of Rs. 89.96 Lacs after tax as against profit of Rs. 20.69 Lacs in previous year The Company hopes to do better in current year.

DIVIDEND :

Due to Loss in the current year the Board of Directors of the Company have not recommended dividend for equity share.

SUB DIVISION OF EQUITY SHARES

Your Company has already intimated you regarding the Sub division of Shares of the Company from Rs. 100 to Rs.10 each equity share and accordingly your approval has also taken in the general meeting held on 29th January, 2013 by passing the special resolution.

ISSUE OF BONUS SHARES

The Directors have, subject to the approval of the shareholders, declared a bonus issue of equity shares in the ratio of two equity share of the company of Rs. 10/- each fully paid up for every one equity shares held by the shareholder of the Company as on the Record Date as determined by the Board of Directors. Necessary resolution for obtaining the approval of shareholders has been incorporated in the Notice for the forthcoming Annual General Meeting of the Company.

FURTHER ALLOTMENT OF SHARES

Your Company has issued the 60,00,000 warrants under preferential allotment which were converted into equity and your company's paid up equity capital has increased to 15,00,00,000 Crore Equity shares of Rs. 10/- each

INCREASE IN AUTHORISED SHARE CAPITAL

During the year under review, the authorized share capital of the company was increased from Rs. 20 crores divided into 200 Lakhs equity shares of Rs. 10/- each to Rs. 22 Crore divided into 220 Lakhs equity shares of Rs. 10/- each.

INITIAL PUBLIC OFFERING (IPO) AND LISTING OF SHARES

The company came out with an Initial Public Offering of 6080000 Equity Shares of the face value of Rs. 10 each for cash at a price of Rs. 15 per Equity Share (including a share premium of Rs. 5 per Equity Share. The public issue opened for subscription on 29th July, 2013 and closed on 1st August, 2013. The Basis of Allotment was finalized in consultation with the Designated Stock Exchange - Bombay Stock Exchange LTD. and while finalising the basis of allotment 80,000 additional Equity Shares were issued due to rounding off along with the shares issued through the IPO. The allotment of, 6080,000 Equity Shares was made on August 09, 2013.

The Company's shares got listed on the SME segment of Bombay Stock Exchange LTD. on 14th August, 2013.

The Company has paid Listing fees to the Bombay Stock Exchange for the year 2013-2014.

INCREASE IN BORROWING LIMIT

The Company has increased its borrowing limit from the existing subject to shall not exceeding the aggregate of the paid up Capital and free reserve of the Company by more than the sum of Rs. 50,00,00,000 at any one time.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

None of the Employees fall within the preview of the above Section and the Rules Framed there under, hence particulars are nil.

FIXED DEPOSIT

The Company has not accepted / renewed any Fixed Deposits from Shareholders, Directors and public during the year under review.

PERFORMANCE REVIEW & FUTURE PROSPECTS

Capital Markets & Asset Management is the business of Alacrity Securities Limited and our successes in this business have helped us diversify into adjacent spaces .Presently we are in the businesses Retail, Broking, .Due to the tough macro-economic situation and subdued primary and secondary market activity, FY13 was a tough year for the Capital Market & Asset Management business group. Despite this there were several positives during the year.

The Company is taking number of initiatives to consolidate and improve margins and return on capital which will in turn enhance the shareholders value. The current year was a better year for the Company. Due to uncertain finance market, the Company is taking a cautious view and will adopt its investment policies accordingly.

CONSERVATION OF ENERGY/TECHNOLOGY ABSORTION /FOREIGN EXCHANGE EARNINGS /OUTGO

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of Companies Act, 1956, you're Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standard has been followed and that no material departures have been made from the same;
2. They have selected such accounting policies and applied them consistently and made judgments 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 of the company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis;

AUDITORS

M/s. LALIT KUMAR DANGI & CO., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as Auditors of the Company. The Company has received declaration under 224(1B) of the Companies Act, 1956 from the Auditors of the Company.

COMMENTS ON AUDITOR'S REPORT :

As regards of the annexure to the Auditors Report, the directors are looking after the day to day business of the Company and expenditure on formal internal audit system is not warranted. However the company is in process of appointing a firm of chartered accountant as an internal auditor.

ACKNOWLEDGMENT

The Board of Directors expressed deep gratitude for the assistance, co-operation and support extended to your company by the bankers of the company, customers as well as the investing community and look forward to their continued support.

By Order of the Board

For Alacrity Securities Limited

Sd/-

Hiten R Mehta

Director

Date: 04/09/2013

Place: Mumbai

Sd-

Kishore Shah

Director

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

Your Company has implemented the Guidelines of Corporate Governance in terms of Clause 49 of the listing Agreement executed with the Bombay Stock Exchange. The Company's philosophy on good Corporate Governance is maintained by being transparent, accounting implementing policies, setting and adhering to appropriate disclosure norms, learning and implementing best-in-class Board practices and displaying consistently high standards of corporate conduct towards its stakeholders.

I. Board of Directors:

a) Composition of the Board:

As on 31 March 2013, Alacrity's, Board comprised of **Six** Directors. The Board functions either as a full Board or through committee. Policy formulation, setting up of goals and evaluation of performance and control functions vests with the Board while the Committees look after operational issues.

Mr. Kishore Shah	-	Whole Time Director
Mr. Jai Prakash Jindal	-	Non Executive & Independent
Mr. Hiten Mehta	-	Whole Time Director
Ms. Pooja Mehta	-	Non Executive & Non Independent Director
Mr. Ramanand Gupta	-	Non Executive & Independent Director
Mrs. Bina Mehta	-	Whole Time Director

b) Number of Board Meetings:

In 2012-13, the Board of the Company met Nine times on 2nd April 2012, 5th June 2012, 06h August 2012, 04th September 2012, 16th October 2012, 22nd November 2012, 15th December 2012, 4th January 2013 and 15th January, 2013.

c) Directors' Attendance Record and Directorships:

The attendance record of each director at the Board of Directors Meeting and at previous Annual General Meeting along with details of membership and/or chairmanship in Boards/or Committees is given below:

Composition of the Board / No. of Board Meetings/ Attendance record & Directorship etc:

Name of the Directors	Category of Directorship	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Hiten R. Mehta	Whole Time Director	9	9	Yes	5	---	---
Mr. Kishore Shah	Whole Time Director	9	9	Yes	---	---	---
Mr. Ramanand Gupta	Non-Executive Independent	3	3	No	---	---	---
Mrs. Bina* Mehta	Whole time Director	9	9	Yes	1	---	---
Mr. Jai Prakash Jindal	Non-Executive Independent	9	9	Yes	--	---	---
Ms. Pooja Mehta	Non-Executive Non Independent	9	9	Yes	2	---	---

***Mrs. Bina H Mehta has resigned from the post of directorship with effect from dated 22nd July ,2013.**

Directors' Remuneration:

None of the Non Executive Directors have any material pecuniary relationship or transaction with the Company.

The Company also reimburses out- of –pocket expenses incurred by the Directors for attending Meetings and for the business of the Company.

The remuneration paid to Mr. Kishore Shah , whole time Director is Rs 4,38,000,.00 Mr. Hiten Mehta Rs.3,30,000/- and Mrs Bina H. Mehta Rs. 9,00,000 for the Financial year 2012-2013.

II. BOARD COMMITTEES:

The board has constituted the following committees of Directors:

a. Audit Committee

b. Remuneration Committee

c. Shareholder's Grievance Committee

The following committees have been formed in compliance with the corporate governance norms:

Audit Committee

Shareholders/Investors Grievance Committee

Remuneration Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 292A of the Companies Act, 1956 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 04th January, 2013.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Ramanand Gupta is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr.Ramanand Gupta	Chairman	Independent Director
2.	Mr. Jaiprakash Jindal	Member	Independent Director
3.	Mr. Hiten Mehta	Member	Executive & Non Independent Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

To investigate any activity within its terms of reference.

To seek information from any employee.

To obtain outside legal or other professional advice.

To secure attendance of outsiders with relevant expertise, if it considers necessary.

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.

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.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

Changes, if any, in accounting policies and practices and reasons for the same
Major accounting entries involving estimates based on the exercise of judgment by management

Significant adjustments made in the financial statements arising out of audit findings

Compliance with listing and other legal requirements relating to financial statements

Disclosure of any related party transactions

Qualifications in the draft audit report.

Reviewing, with the management, the quarterly financial statements before submission to the board for approval

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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

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.

Discussion with internal auditors any significant findings and follow up there on.

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.

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.

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.

To review the functioning of the Whistle Blower mechanism, in case if the same is existing.

Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Mandatorily reviews the following information:

Management discussion and analysis of financial condition and results of operations;
Statement of significant related party transactions (as defined by the audit committee), submitted by management;

Management letters / letters of internal control weaknesses issued by the statutory auditors;

Internal audit reports relating to internal control weaknesses; and

The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

Review the Financial Statements of its Subsidiary company, if any.

Review the composition of the Board of Directors of its Subsidiary company, if any.

Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("**Shareholders / Investors Grievance Committee**") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 04th January, 2013. The committee currently comprises of three (3) Directors. Mr. Jaiprakash Jindal is the Chairman of the Shareholders/ Investors Grievance committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Jaiprakash Jindal	Chairman	Independent Director
2.	Mr. Ramanand Gupta	Member	Independent Director
3.	Mr. Kishore Shah	Member	Executive Director

Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.

Matters related to share transfer, issue of duplicate share certificate, dematerializations.

Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

REMUNERATION COMMITTEE

Our Company has constituted a remuneration committee ("Remuneration Committee"). The Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 04th January, 2013. The committee currently comprises of three (3) Directors. Mr. Jaiprakash Jindal is the Chairman of the remuneration committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Jaiprakash Jindal	Chairman	Independent Director
2.	Mr. Ramanand Gupta	Member	Independent Director
3.	Mr. Pooja Mehta	Member	Non-executive & Non Independent Director

The terms of reference of the remuneration committee are as follows:

The remuneration committee recommends to the board the compensation terms of the executive directors.

Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.

Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.

Ensuring the remuneration policy is good enough to attract, retain and motivate directors.

Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Nimita Jain is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

d) Code of Conduct:

The Board of Alacrity Securities Limited has adopted and laid down a code of conduct for all Board members and Senior Management of the company. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. The declaration by the Chief Executive Officer in this respect appears elsewhere in this report.

e) INVESTOR COMPLAINTS

The Company has not received any complaints from shareholders during the year as shown below. The average time to be taken by the Company to resolve complaints is 15-20 days.

Nature of complaint	Complaints received	Complaints redressed	Complaints Pending
Non-receipt of share certificates	-	-	-
Non-receipt of dividend/interest warrant	-	-	-
Non-receipt of annual report	-	-	-
Non-completion of transfer procedure	-	-	-
Total	-	-	-

III. Subsidiary Companies

There is no Subsidiary as per provisions of Listing Agreement of the Stock Exchange of Alacrity Securities Limited.

IV. DISCLOSURES:

- a) There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company at large.
- b) There were no instances of any material non compliance during the last three years by the Company on any matter related to capital markets. There were no penalties imposed nor did strictures pass on the company by stock exchanges, SEBI or any statutory authority.
- c) All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.
- d) The Company has followed the Accounting Standard issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements and there were no Audit qualification in this regard.
- e) Transactions with related parties are disclosed – ‘Notes forming part of the Accounts’ annexed to the financial statements of the year.

f) In terms of Clause 52 the listing Agreement, the Chief Executive Officer have furnished a certificate for the financial year ended 31st March 2013 to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls, The said certificate is attached at the end of the report.

g) Proceeds from the Initial Public Offer of the Company: The Details about the utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for the purposes other than those mentioned in the prospectus of the Company.

V. A) GENERAL BODY MEETINGS :

Date, time and venue for the last three annual general meetings are given below.

Details of last three Annual General Meetings:

Financial year	Date	Time	Venue
2009-2010	29th Sept, 2010	11.00 A.M	B-101, Haridarshan, Bhogilal Phadia Road, Kandivli [West] Mumbai 400 067
2010-2011	30th Sept, 2011	11.00 A.M	B-102, Haridarshan, Bhogilal Phadia Road, Kandivli [West] Mumbai 400 067
2011-2012	25th Sept 2012	11.00 A.M	B-102, Haridarshan, Bhogilal Phadia Road, Kandivli [West] Mumbai 400 067

B) EXTRA-ORDINARY GENERAL MEETING

During the year under review, Extra Ordinary General Meetings were held on 29th January, 2013.

Resolutions under

None of the business required to be transacted at the forthcoming Annual General Meeting is proposed to be passed by postal ballot.

VI. MEANS OF COMMUNICATION:

All material information about the company is promptly submitted to the Bombay Stock Exchange Ltd. where the Company's shares are listed. Half-Yearly and Annual Financial Results will be sent to the exchange for the information of the shareholders. The financial results will also be displayed on the Company's web site and on the official website of Bombay Stock Exchange Limited.

VII. MANAGEMENT DISCUSSION & ANALYSIS.

The Management Discussion and Analysis report is form part of Annual Report.

VIII. GENERAL SHAREHOLDERS INFORMATION:

a) Annual General Meeting:

Date : 30th September, 2013

Time : 11.00 AM

Venue : B-102, Haridarshan, Bhogilal Phadia Road,
Kandivli [West], Mumbai 400 067.

b) Financial Calendar :

1st April to 31st March.

Potential Time of Quarterly Results :

First quarter : NA

Second quarter : Second week of November 2013

Third quarter : NA

Fourth quarter : Last week of May 2014

d) Book Closure:

The books will be closed from 27.09.2013 to 30.09.2013 (both days inclusive) as Book closure for the Annual General Meeting.

e) Listing:

Equity shares of Alacrity Securities Limited are listed on the **Bombay Stock Exchange Limited (SME) on 14th August 2013.**

The Company has paid annual listing fees for the financial year 2013-14.

BSE Stock Codes: 535916

ISIN for Dematerialization: INE030P01017

g) Market Price Data:

The monthly high and low prices of company's equity shares at Bombay Stock Exchange Limited (BSE) for the year 2012-13 is not applicable as the Company got Listed on the BSE platform on 14th August 2013.

h) Shareholding Pattern:

Share Holding Pattern as on 31 March 2013 given below:

Category	No. of shares held	Shareholding %
Promoters	9903700	66.02
Mutual Funds/UTI & Banks	---	---
Private Bodies Corporate	37500	0.25
Resident Individuals	5058800	33.73
Total	15000000	100.00

i) Share Transfer System:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both **NSDL & CDSL**. Share Transfer in physical form is approved by Shareholders/Investor Grievances Committee of Directors at regular interval to ensure that the Share Transfer complete in all respects are given effect to within valid period from the date of receipt.

j) Registrar & Transfer Agent:

The company has appointed a Registrar and Share Transfer Agent, **M/s. BIG SHARE SERVICES PVT LTD**. E-2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri [East], Mumbai 400 072.

M/s. BIG SHARE SERVICES PVT LTD, which is fully equipped to carry out share transfer activities and redress investor complaints.

k) Dematerialization of Shares as on 31st March, 2013: NA

l) Investor Correspondence Address:

Big Share Services Pvt. Ltd.

E-2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri [East], Mumbai 400 072.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Alacrity Securities Limited
Mumbai

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 52 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended on 31st March 2013.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company. We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and representation made by the Directors and the Management, to the best of our information and according to the explanations given to us, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 52 of the said listing agreement.

On the basis of certificate issued by the Registrar and Share Transfer Agent of the Company and the Minutes of meetings of the Shareholders/ Investors Grievance Committee of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

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 and on behalf of
Abhishek Lakhota & Co.
Company Secretaries

Place: Mumbai

Sd/-

Membership No.: ACS 29285

Date: 4th September, 2013

COP No. : 10547

Declaration regarding Compliance of code of Conduct should be inserted which has to be signed by the Chief Executive Officer

DECLARATION

Annual Declaration by Chief Executive Officer (CEO) pursuant to Clause 52 (i) (d) (ii) of the SME Listing Agreement.

I, Hiten Ramniklal Mehta as the Chief Executive Officer (CEO) of ALACRITY SECURITIES LIMITED provided under Clause 52 (i)(d)(ii) of the Listing Agreement. I hereby declare that all the Board members and Senior Management personnel of the company have confirmed compliance with the code of conduct for the financial year ended 31 March 2013.

FOR Alacrity Securities LIMITED

Date : 4th September, 2013

Place: Mumbai

Sd/-

Hiten Ramniklal Mehta
Chief Executive Officer

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Hiten Ramniklal Mehta, Chief Executive Officer , of Alacrity Securities Limited, hereby certify to the Board that:

I have reviewed financial statements and the cash flow statement for the year 31st March 2013 and that to the best of our knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by Alacrity Securities Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.

I accept responsibility for establishing and maintaining internal controls for financial reporting in Alacrity Securities Limited and I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps I have taken or propose to take to rectify these deficiencies.

I have indicated to the auditors and the Audit Committee Significant changes in internal control over financial reporting during the year;

Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

I affirm that I have not denied any personnel access to the Audit Committee of the company (in respect of matters involving alleged misconduct).

I further declare that all Board members and senior management have affirmed compliance with the code of conduct for the current year.

Place: Mumbai

Date: 4th September, 2013

Sd/-

Hiten Ramniklal Mehta

Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

THE INDUSTRY OVERVIEW

India has a transparent; highly technology enabled and well regulated stock / capital market. A vibrant, well developed capital market facilitates investment and economic growth. Today the stock markets are buoyant and have a range of players including mutual funds, FIs, hedge funds, corporate and other institutions. Domestic savings and capital inflows are channelized in the capital markets. There were over 1,652 listings as of July 2012 on the nse and as of March 2012, there were over 5,133 listed Indian companies and over 8,196 scrips on the stock exchange. In recent years, the capital markets have undergone substantial reforms in regulation and supervision. Reforms, particularly the establishment of SEBI, market-determined prices and allocation of resources, screen-based nation-wide trading, t+2 settlement, scrip less settlement and electronic transfer of securities, rolling settlement and derivatives trading have greatly improved both the regulatory framework and efficiency of trading and settlement. There are presently 23 recognized stock exchanges in India.

BUSINESS OVERVIEW

Our Company, Alacrity Securities Limited was founded in December, 1994 as Alacrity Securities Private Limited. Our Company was converted into a Public Limited Company in June 2001 and consequently the name was changed to Alacrity Securities Limited.

We are a diversified financial services company in India offering a wide range of products & services covering equity broking, F & O, currency derivatives and depository participants to all kinds of investors, namely, retail, high net worth individuals and Corporate. Our Company is led by Mr. Hiten Mehta who has more than 15 years of experience in the financial markets and have steered the growth of the Company.

We are members of Capital Market Segment & Trading Member of Futures & Options Segment of National Stock Exchange of India Ltd. & Bombay Stock Exchange Limited. Also, we are Trading Member of Currency Derivative Segment of MCX-SX and United Stock Exchange of India Ltd. Our business philosophy is always customer oriented and the services are offered under total confidentiality and integrity with the sole purpose of maximizing returns to clients.

FINANCIAL HIGHLIGHTS :

- 1) Paid up Share Capital of the Company as on 31st March 2013, stands at 15, 00, 00,000 divided into 1, 50, 00,000 number of equity Shares of Rs10/- each fully –paid up.
- 2) The reserves and surplus as on 31st March 2013 is Rs.36196370/-.
- 3) Income from operation stood at Rs. 254484263/- for fiscal 2013
- 4) Profit/Loss before Taxes of fiscal 2013 was Rs. (8996144)
- 5) Profit /Loss after Taxes of fiscal 2013 was Rs (8396657)
- 6) Basic Earnings per Share for fiscal 2013 was Rs.(0.56)
- 7) Net Worth of the company stood at Rs.185370370/- as on March 2013

REGULATORY :

Our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI and the exchanges.

Company is complying various statutory provisions such as Companies Act Income – Tax, Service tax, BSE and NSE provisions and other applicable laws and regulations applicable to the Company.

INTENSE COMPETITION

Our Company faces significant competition from companies seeking to attract clients' financial assets. In particular, we compete with other Indian and foreign brokerage houses, public and private sector commercial banks operating in the markets in which we are present. In recent years, large international banks have also entered these markets. The profitability of the company depends upon volatility of the Company.

MANPOWER & EMPLOYEE RELATIONS :

Alacrity Securities Limited considers human resources a key element. The company has a competency based performance for identifying and developing managerial talent.

We are highly dependent on our senior management, our directors and other key personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Emphasis is laid on providing adequate training to its employee, to meet the attitudinal and cultural values of the organization ethos to achieve the goals set.

The human resources of company are quite enough according to size, volume and transactions of business and employee relations are continued to be cordial during the year.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Alacrity Securities Limited has adequate internal control systems in place for safeguarding the assets, for ensuring that all transaction are in accordance with the policies of the Company, are duly authorized, recorded and reported. The objective is to prevent possibilities of frauds or other irregularities .The Company is working to further strengthen the systems for internal audit and risk assessment and mitigation.

CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis, describing the Company's objectives, projections and estimates are forward looking statement and progressive within the meaning of applicable laws & regulations. Actual result may vary from those expressed or implied. Important developments that could affect the Company's operations are significant changes in political and economic environment in India, tax laws, exchange rate fluctuation and related factors.

For Alacrity Securities Limited

Whole Time Director

Sd/-

Hiten Mehta

INDEPENDENT AUDITOR'S REPORT

To the Members of Alacrity Securities Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];

d. In our opinion, the Balance Sheet and Statement of Profit and Loss, 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; except for non compliance of provision of employees benefit as per Accounting Standard-15. In the absence of availability of actuarial valuation report to us, we are not in a position to quantify the amount of provision to be made and its effect on the financial statement of the company.

e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Lalit Kuamr Dangi & Co,
Chartered Accountants
F. R. No. 112107W

Sd/-

Place : Mumbai
Date : 10.07.2013

CA.Lalit kumar Dangi
Proprietor
M.No.045611

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report of Other Legal and Regulatory Requirements" of our report of even date

- I
 - a. The Company is maintaining proper records showing full particulars, including quantitative Details and situation of fixed assets.
 - b. The Fixed assets have been physically verified by the management during the year which in our opinion is reasonable, having regard to the size of the company and the nature of its assets we have been informed that no material discrepancies were noticed on such verification.
 - c. During the year, there was no disposal of substantial fixed assets.
- II
 - a. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No discrepancy was noticed on physical verification of inventory as compared to book records.
- III.
 - a. The Company has not granted any loans, secured/ unsecured to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b. The Company has taken unsecured loan from one party covered in the register maintain u/s 301 of the Companies Act 1956 aggregating to Rs. 1015.92 lacs. Maximum balance outstanding during the year was Rs.542.50 lacs and the year end balance was Rs. 70.52 lacs.
 - c. In our opinion and according to the information and explanations given to us the term and conditions of the loan taken are not prima-facie prejudicial to the interest of the company.
 - d. As explained to us in respect of loan taken there is no stipulation as to repayment and same is on demand
- (IV) In our opinion and according to the information and explanation 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 and with regard to sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls system.
- (V)
 - a. According to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions with parties with whom transactions exceeding value of Rupees five lacs have been entered into during the financial year are at price which are reasonable having regard to the prevailing market prices at the relevant time.

(VI) As the Company has not accepted any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of section 58 A and 58AA of the Act and the rules framed there under are not applicable.

(VII) In our opinion, the company has internal audit system commensurate with the size of the company and nature of its business.

(VIII) Maintenance of cost records prescribed by the central government under section 209(1) (d) of the Companies Act, 1956 is not applicable to the company.

(IX) a. According to the information and explanations give to us by the management and on the basis of our examination of books of account of the Company, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Wealth-tax, Service Tax, Cess and other material statutory dues as applicable to it. According to the information and explanation given to us no undisputed amounts payable in respect of above were outstanding, at the year end for a period of more than six months from the date they become payable.

b. Disputed statutory dues, that have not been deposited on account of disputed matter pending before appropriate authorities is as under.

Name of the statute	Nature of dues	Amount due (Rs. Lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	5.92	A-Y 1998-99	CIT (Appeals) for Re verifications

(X.) The Company does not have accumulated losses at the end of the financial year, however the Company has incurred cash loss during the year amounting to Rs.72.48 lacs but not in the immediately preceding previous year.

(XI.) According to information and explanations give to us by the management we are of the opinion that the Company has not defaulted in repayment of dues to bank or financial institution.

(XII) According to information and explanations give to us, the Company has not granted any 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 not a chit fund or a nidhi/ mutual benefit fund society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (XIV) The company has maintained proper records of the transactions and contracts of dealing in or trading in shares and securities and other investment and timely entries have been made therein. All shares, Securities and other investment have been held by the Company, in its own name.
- (XV) In over opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- (XVI) In our opinion and according to the information & explanation given to us, on an overall basis the term loan have been applied for the purpose for which they have been obtained.
- (XVII) According to the information and explanations given to us and on 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.
- (XVIII) The Company has made a preferential allotment of equity shares to party covered under the register maintained under Section 301 of the Companies Act, 1956. In our opinion and according to the information and explanation given to us, the aforesaid allotment is not prima facie prejudicial to the interest of the company.
- (XIX) The Company has not raised any monies by way of issue of any debentures during the year.
- (XX) The Company has not raised any monies by way of public issue during the year.
- (XXI) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Lalit Kuamr Dangji & Co,
Chartered Accountants
F. R. No. 112107W

Sd/-

Place : Mumbai
Date : 10.07.2013

CA.Lalit kumar Dangji
Proprietor
M.No.045611

ALACRITY SECURITIES LTD
BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	As at 31/03/2013 Rs.		As at 31/03/2012 Rs.	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	2	150000000		30000000	
(b) Reserves and Surplus	3	<u>36196370</u>	186196370	<u>104593027</u>	134593027
Non - current liabilities					
(a) Long term borrowings	4	530608		506483	
(b) Deferred tax liabilities (Net)	5	<u>515739</u>	1046347	<u>1113611</u>	1620094
Current Liabilities					
(a) Short Term Borrowings	6	17514565		98904769	
(b) Trade Payables	7	39747029		40959408	
(c) Other Current Liabilities	8	11328898		23741714	
(d) Short Term Provisions	9	<u>29069000</u>	97659492	<u>30812338</u>	194418229
TOTAL			<u>284902208</u>		<u>330631350</u>
II. ASSETS					
Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	10	14894190		15993362	
(ii) Intangible assets		<u>478578</u>		<u>682737</u>	
		15372768		16676099	
(b) Non - current investments	11	36627936		30226560	
(c) Long Term Loans & Advances	12	8405279		7336279	
(d) Other Non Current Assets	13	<u>560000</u>	60965983	<u>714000</u>	54952938
Current Assets					
(a) Inventories	14	2612860		20508207	
(b) Trade receivables	15	52628947		101506064	
(c) Cash and cash equivalents	16	86252182		95880589	
(d) Short term loans and advances	17	78509793		37865062	
(e) Other Current Assets	18	<u>3932443</u>	223936225	<u>19918490</u>	275678412
TOTAL			<u>284902208</u>		<u>330631350</u>
Significant Accounting Policies and Notes forming part of the Accounts-Schedule			1		
The notes are an integral part of the Financial Statement				1 to 33	

In Accordance with our Report attached
For Lalit Kumar Dangi & Co.
Chartered Accountants
Firm Registration No. 112107W
Sd/-
(CA Lalit Kumar Dangi)
Proprietor
M No. 45611
Place: Mumbai
Date: 10/07/2013

For and on behalf of the Board

Sd/-
Hiten R Mehta
Whole Time Director

Sd/-
Kishore V Shah
Director

ALACRITY SECURITIES LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	2012 - 13		2011 - 12	
		Rs.	Rs.	Rs.	Rs.
Revenue from Operations	19	254,484,263.00		80599333.00	
Other Income	20		7,981,552.00		37790628.00
Total Revenue			<u>262,465,814.00</u>		<u>118,389,961.00</u>
Expenses					
Purchase of Shares			224635809.00		82789043.00
Changes in inventories of finished goods	21		17,895,347.00		-20508207.00
Loss on F&O trading					4137829.00
Short Tern Capital Gain/Loss (+/-)			6152234.00		
Employee benefits expense	22		3,669,687.00		5018148.00
Finance costs	23		8,499,403.00		32018198.00
Depreciation and amortization expenses	24		2,014,569.00		2274410.00
Trading Exp, Other expenses	25		8594909.00		10590926.00
Total Expenses			<u>271,461,958.00</u>		<u>116,320,347.00</u>
Profit before tax			-8,996,144.00		2,069,614.00
Tax expense:					
Current tax					700000.00
Deferred tax		-597872.00			2189.00
Prior period tax		-1615.00			0.00
MAT Credit (Entitlement)/ availed			-599487.00		329101.00
Profit for the period			<u>-8,396,657.00</u>		<u>1,038,324.00</u>
Earning per equity share:					
Basic & Diluted			-0.56		0.35
Significant Accounting Policies and Notes forming part of the Accounts-Schedule	1				
Notes forming part of the Financial Statements			1 to 33		

In Accordance with our Report attached
For Lalit Kumar Dangi & Co.
Chartered Accountants
Firm Registration No. 112107W
Sd/-
(CA Lalit Kumar Dangi)
Proprietor
M No. 45611
Place: Mumbai
Date: 10/07/2013

For and on behalf of the Board

Sd/-
Hiten R Mehta
Whole Time Director

Sd/-
Kishore V Shah
Director

ALACRITY SECURITIES LTD.

Notes to Financial Statements for the year ended 31ST March 2013

1 STATEMENTS ON SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of accounting and preparation of financial statements**

The Company adopts the historical cost concepts and accrual basis in accordance with generally accepted accounting principles for the preparation of its accounts and complies with the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956, except gratuity which is being accounted on basis consistently.

2. **Fixed Assets:**

Fixed Assets have been stated at original cost of acquisition including taxes duties freight and other incidental expenses related to acquisition and installation of the assets concerned.

3. **Depreciation:**

Depreciation has been provided on straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

4. **Investments:**

Long-term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary.

5. **Revenue Recognition:**

Brokerage are recognized when the transaction of sale and purchase of Securities takes place.

6. **Taxes on Income:**

Tax on income for the current period is determined on the basis of Income Tax Act, 1961. Deferred tax is recognized on timing difference between the accounting income and taxable income for the year and quantified using the tax rate and laws enacted or substantively enacted as on the Balance Sheet Date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

7. **Employees Benefit:**

Contribution to Provident Fund, Family Pension Fund are provided on accrual basis. Gratuity is being accounted on payment basis,

8. **Leave Encashment:**

As per the policy of the Company, employees are required to avail their annual leave by the end of the respective financial year and leave is not allowed to be en-cashed and hence no provision is considered necessary.

ALACRITY SECURITIES LTD
Notes to financial Statements for the year ended 31st March 2013

2. Share Capital:

	As at 31/03/2013		As at 31/03/2012	
	No.	Rs.	No.	Rs.
Authorized:				
Equity shares of Rs. 10/- each (P.Y. Rs. 100/- each)	22000000	220000000	2000000	20000000
	22000000	220000000	2000000	20000000
Issued, subscribed and fully paid up:				
<i>Equity shares of Rs. 10/- each (P.Y. Rs. 100/- each)</i>				
At the beginning of the reporting period	300000	30000000	300000	30000000
Issued during the reporting period			0	0
Addition on Account of split in Share from Rs.100 to 10/-	2700000	0		
Bonus shares Alloted During the year	6000000	60000000		
Bought back during the reporting period		0	0	0
At the close of the reporting period	15000000	150000000	300000	30000000

Other Information:

The company has only one class of shares referred to as equity shares having a face value of RS. 10/-. Each holder of equity shares is entitled to one vote per shares.

III Details of shares holders holding more than 5% shares

	No of Shares	% of Holding	No of Shares	% of Holding
a. Beena H Mehta	2844700	18.96	61490	20.50
b. Pooja H Mehta	6900000	46.00	0	0.00
c. Himanshu R Mehta	0	0	235300	78.43

3 Reserves and Surplus:

In Rs.

Particulars	Genral reserves	Surplus balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	5,350,000	99,243,027	104,593,027
Transferred from/to Profit & Loss Account	0	-8,396,657	-8,396,657
Allocation towards allotment of bonus shares	0	-60,000,000	-60,000,000
Proposed Dividends	0	0	0
Provision towards dividend distribution tax	0	0	0
At the close of the reporting period	5,350,000	30,846,370	36,196,370
At the close of the previous reporting period	5,350,000	99,243,027	104,593,027

ALACRITY SECUEIRIES LTD.

Notes to financial Statements for the year ended 31st March 2013

4 4 Long term Borrowings

In Rs.

Particulars	As at 31/03/2013	As at 31/03/2012
1) I) Secured Loans:		
a. Term Loans		
(i) Vehicle Loan		
- from Banks	1011948	403472
- from Others	147256	923942
	<hr/>	<hr/>
	1159204	1327414
Amount Disclosed under the Head "Other Current Liabilities"	628596	820931
	<hr/>	<hr/>
(Note :8)	530608	506483
	<hr/> <hr/>	<hr/> <hr/>

Additional Information:

Details of security for secured loans

Vehicle loan is secured against hypothecation of Vehicles

5 Deferred Tax Assets & Liabilities

Particulars		
i) I) Deferred tax liability:		
a) On account of depreciation on fixed assets	1111633	1113611
b) On account of timing differences in recognition of expenditure	0	0
	<hr/>	<hr/>
Total	1111633	1113611
 DEFERRED TAX ASSETS		
On account of Carried forward Losses and Depreciation	595894	0
	<hr/>	<hr/>
Net Deferred tax liability	515739	1113611
	<hr/> <hr/>	<hr/> <hr/>

ALACRITY SECURITIES LTD

Notes to financial Statements for the year ended 31st March 2013

6 Short term Borrowings

In Rs.

Particulars	As at 31/03/2013	As at 31/03/2012
I) Secured Loans:		
a) Working Capital Loan		
Against FDR		
- from banks	10462126	44410568
Against Shares		
- from banks	0	244201
	10462126	44654769
Additional Information:		
i Loan against FDR is secured by way of lien of FDRs		
iii Loan against shares is secured against pledge of shares of company, Directors & Clients and personal guarantee of past & present directors		
iii Vehicle loan is secured against hypothecation of Vehicles		
II) Unsecured Loans:		
Inter Corporate Deposit from related party	7052439	54250000
	7052439	54250000
Total	17514565	98904769
7 Trade Payables		
i) To Micro, Small and Medium Enterprises		
ii) Others (Amt Due to Clients, Margin & Exchange)	39747027	40959408
	39747027	40959408
8 Other current liabilities:		
Current maturities of Long-term Borrowings (Refer Note:6)		
a) Vehicle Loan		
- from banks	481340	152563
- from others	147256	668368
	628596	820931
b) Liabilities for Expenses	575200	338686
c) Due to Director	11716	45386
d) Statutory Liabilities & outstanding Exp (TDS & S.T)	494735	487600
e) Interest accrued and due on borrowings	0	22049111
f) Bank Book Overdraft	9618652	0
	11328898	23741714
9 Short term provisions:		
a) Provision for Taxation	29069000	29069000
b) Proposed Dividend on Eq Shares	0	1500000
c) Dividend Distribution Tax	0	243338
	29069000	30812338

ALACRITY SECURITIES LTD
Notes to financial Statements for the year ended 31st March 2013

10 Fixed Assets:

In Rs

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01/04/2012	Additions for the year	Deductions during the year	As at 31/03/2013	As at 01/04/2012	For the year	Deduc- tions	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012
Tangible Assets										
Own assets										
Office Premises	6,023,207	0	0	6,023,207	610,748	98,178	0	708,926	5,314,281	5,608,815
Computers	6,390,962	0	0	6,390,962	6,260,137	23,702	0	6,283,839	107,123	99,719
Furniture & Fixtures	2,823,832	0	0	2,823,832	1,005,517	178,749	0	1,184,266	1,639,566	1,566,879
Vehicles	11,202,494	1,199,565	921,270	11,480,789	4,719,922	1,079,675	162,093	5,637,504	5,843,285	8,345,011
Office Equipment	1,363,236	4,850	0	1,368,086	316,312	64,800	0	381,112	986,974	899,709
Electrical Inst	870,849	0	0	870,849	447,813	55,125	0	502,938	367,911	511,482
Air Condition	930,106	0	0	930,106	250,875	44,180	0	295,055	635,051	743,534
	29,604,686	1,204,415	921,270	29,887,831	13,611,325	1,544,409	162,093	14,993,641	14,894,190	17,775,149
Intangible assets										
Computer Software	1,295,521		0	1,295,521	612,783	204,160	0	816,943	478,578	404,495
	1,295,521	0	0	1,295,521	612,783	204,160	0	816,943	478,578	404,495
TOTAL	30,900,207	1,204,415	921,270	31,183,351	14,224,109	1,748,569	162,093	15,810,587	15,372,768	18,179,644
Preious Year	30,326,057	1,065,706	491,555	30,900,208	12,340,399	2,036,410	152,700	14,224,109	16,676,099	18,179,644
		1065706		30900208						

ALACRITY SECURITIES LTD

Notes to financial Statements for the year ended 31st March 2013

11 Non Current Investments:

In Rs

Details of Investments	Face Value	As at 31/03/2013	As at 31/03/2012
Investments in Equity Instruments: (quoted)			
Associates			
Odyssey Corporation Ltd. (Qty 903923, P.Y. 600000) (Out of above 600000 shares are in lock in period for 3 years)	5	27,968,195	11,400,000
Investments in Mutual funds			
Canara Robeco Infra Groth Fund (Qty Nil. P.Y. 5485.31)		0	100,000
Canara Robeco Force Fund (Qty Nil P.Y. 9779.95)		0	100,000
Canara Robeco Gold Saving Fund (Qty , P.Y Nil)		40,000	0
Canara Robeco Equity Diversified Growth Fund(Qty , P.Y Nil)		40,000	0
Other Non Current Investments (quoted)			
Indiabull Power Ltd (Qty Nil, P.Y. 220000)	10	0	4,400,000
Aqua Logistic Ltd. Qty 760346, P.Y. Nil)	10	7,567,741	0
Shre Ashtvinayak Cine Vision Ltd. (Qty Nil, P.Y. 2117718)	1	0	13,214,560
Other non current investments (Unquoted)			
Chincholi Sugar & Bio Ind Ltd. (Qty 25000, P.Y. 25000)	10	1,000,000	1,000,000
Sheetal Co op Credit Soc Ltd. (Qty 100, P.Y. 100)	100	10,000	10,000
Hari Darshan Co op Housing Soc Ltd (Qty 40, P.Y. 40)	100	2,000	2,000
Total		36,627,936	30,226,560
Additional Information:			
Aggregate value of quoted investments:			
Cost		35,535,936	29,014,560
Market Value		38,643,468	36,152,899
Aggregate value of unquoted investments:			
Cost		1,012,000	1,212,000
12 Long Term Loans & Advances			
Deposites (With Exchange& Others)		8,284,279	7,079,279
Staff Loan		121,000	257,000
		8,405,279	7,336,279
13 Other non current assets			
Unamortized Expenses		560,000	714,000
		560,000	714,000

ALARITY SECURITIES LTD
Notes to financial Statements for the year ended 31st March 2013

In Rs

Particulars	As at 31/03/2013	As at 31/03/2012
14 Inventories:		
i) Stock-in-Trade (Shares) (Valued at lower of cost or Market Value)	2,612,860	20,508,207
	2,612,860	20,508,207
15 Trade receivables: (Unsecured considered good.)		
i) Trade receivables exceeding six months	10,591,923	38,365,967
ii) others	42,037,024	63,140,097
	52,628,947	101,506,064
16 Cash and cash equivalents:		
i) Balances with banks		
In current Accounts	1417786	14,872,847
In Deposites Accounts - in fixed deposit accounts (Pledged/ lien with bank against O/D & Guarantee facility)	83,696,848	80,519,110
iii) Cash on hand	1,137,548	488,632
	86,252,182	95,880,589
17 Short term loans and advances: (unsecured, considered good)		
i) Loans & advances & other receivable	32,174,169	2,657,450
ii) Shares Application Money Given	2,500,000	2,500,000
iii) Advance Income Tax, TDS	33,403,078	32,707,612
iv) MAT Credit Entitelment	10,381,046	10,381,046
v) Staff Loan	51,500	0
	78,509,793	48,246,108
18 Other Current Assets		
i) Unamortized expenses	266,000	238,000
ii) Interest Accured on deposits	3,550,400	8,748,097
iii) Prepaid Exp	116,043	551,347
	3,932,443	9,537,444

ALACRITY SECURITIES LTD
Notes to financial Statements for the year ended 31st March 2013

In Rs.

Particulars	2012 - 13	2011 - 12
19 Revenue from operations:		
Sales	245,547,317	63,034,357
Sale of Services	8,028,250	15266639
Other Operating Revenues	908,696	2,298,337
	254,484,263	80,599,333
20 Other Income:		
Interest Income (Bank & Other)	7,197,893	6,591,149
Dividend Income		
- from long term investments	7,320	150,000
Net gain/loss on sale of long term investments (stt paid)	63,150	347,606
Profit on F&O trading	194921	0
Other non operating income (net of expenses directly attributable to such income, Rent, LPC, Other Income, Stamp Duty)	518,269	30,701,874
	7,981,552	37,790,628
21 Changes in inventories of finished goods, WIP and stock in trade:		
<u>Inventories at the beginning of the year</u>		
Shares	20,508,207	0
<u>Inventories at the end of the year</u>		
Shares	2,612,860	20,508,207
	17,895,347	-20,508,207
22 Employee Benefit Expenses:		
Salaries and Wages	1,969,175	3,051,896
Contribution to provident and other funds	110,880	164,855
Remuneration to whole time directors	1,518,000	1,638,000
Staff welfare & Canteen expenses	71,632	163,397
	3,669,687	5,018,148
23 Finance Costs:		
Bank Charges & Interest	5,636,081	6,159,182
Other Borrowing Cost	2,863,322	25,859,016
	8,499,403	32,018,198
24 Depreciation and amortization:		
i) Depreciation	1,748,569	2,036,410
ii) Amortization of intangible assets	266,000	238,000
	2,014,569	2,274,410

ALACRITY SECURITIES LTD
Notes to financial Statements for the year ended 31st March 2013

In Rs.

Particulars	2012 - 13	2011 - 12
25 Trading & Administrative Expenses		
<u>Payment to the auditors</u>		
- for Audit fees	100000	100000
- for Tax audit fees	50000	50000
- for other services	134000	12000
Annual Fee to Exchanges	575000	125000
Annual Maintanace	238962	116325
Business Promotion Exp	3700	62490
Connectivity Charges (Lease line & VSAT)	378968	412226
Demat Charges & Stamp Charges	161507	301259
Donations	207500	879500
Electricity Exp	291719	304233
Insurance	118714	120256
Interest/ Finance Charges on car Loan	144924	144639
Internal Audit Fees	100000	100000
Legal and professional charges	771408	867000
Loss on sale of fixed asset	259177	279505
Miscellaneous expenses	696652	588466
Motor Car Expenses	194621	474473
Rent Paid	50000	150000
Repairs & Maintance	136022	293849
SEBI turnover charges	28016	49822
Society Maintance and Mun taxes	414491	263794
Stock Exchange Charges	152996	878253
Sub Brokrage Paid	2047132	1,811,930
Telephone Expenses	316791	536272
Transaction Charges Paid	748756	1397847
Travelling & Convence	273852	271787
	8594909	10590926

26. Contingent liabilities not provided for :**(Rs. in lacs)**

	2012-3	2011-12
i) Bank Guarantee	431.75	482.00
ii) The Co. has not acknowledged the Income Tax demand of Rs. 7.92 lacs for the Asst Year 98-99 since re verification before CIT (Appeals) as per ITAT Order is still pending. However Rs. 2 Lacs. Paid under protest		

27. Gratuity is being accounted on payment basis, Since there was less than no. of employees as required by As-15 during the year particulars except above required as per AS-15 are not applicable to the company.

28. Related Party Transactions

i) Related Parties Disclosures

Key Management Personnel (i)	Associates Company (ii)	Relative of Key Management Person (iii)
Beena H Mehta (Director)	Pooja Equiresearch Pvt Ltd.	Meeta H Mehta
Kishore V Shah (Director)	Odyssey Corporation Ltd.	
Hiten R Mehta (Director)		

ii) Details of the transaction with the related parties

Description	(i) above	(ii) above	(iii) above
Managerial Remuneration & Salary	1518000 (1638000)	—	80000 (Nil)
Consultancy Charges	50000 (Nil)		
Rent Paid	50000	—	
Rent Received	—	30000 (30000)	
Late Payment Charges		— (18754873)	
Sub-Brokerages Paid			361580 (Nil)
Interest Paid		2504892 (23741687)	
Loan Received	—	101592439 (382200000)	
Loan Repaid	—	148790000 (327950000)	

* Transaction of Brokerage involved on share trading not consider in view of numerous transaction and practically difficult to qusntify

iii) Balance as on 31st March 2013

Description	(i) above	(ii) above	(iii) above
Receivable	— (-----)	15000 (----)	125000 (----)
Payable	255106 (221356)	22505071 (21853107)	
Loan Payable	—	4815000 (54250000)	

29. Earning per Share (EPD) :

	2012-13	2011-12
Net Profit	-9009345	1038324
Face value of Share	10	100
Total No. issued Shares	15000000	300000
Earnings pre Share	-0.60	3.46

30. Balance of Loans & Advances, Debtors & Creditors are subject to confirmation & reconciliation.

31. Sundry Creditors includes margin received on account of future and option segment.

32. Additional information pursuant to para 3 and 4 of part II Schedule VI of the Companies Act

a) Directors Remuneration	2012-13	2011-12
Salary	1518000	1638000
Consultancy Charges	45000	0

Other information are either Nil or Not Applicable

33. Previous year's figures are reclassified where ever found necessary.

For **LALIT KUMAR DANGI & CO.**

For **ALACRITY SECURITIES LTD.**

Firm Registration No. 112107W

Chartered Accountants

(CA LALIT KUMAR DANGI)

Proprietor

Sd/-

HITEN R MEHTA

(Whole Time Director)

Sd/-

KISHORE V. SHAH

(Director)

Place :- Mumbai

Date :- 10/07/2013

ALACRITY SECURITIES LTD
CASH FLOW STATEMENT AS AT 31st MARCH, 2013

Sr. No.	Particulars	As at 31/03/2013		As at 31/03/2012	
		Rs.	Rs.	Rs.	Rs.
A	CASH FLOW FROM OPERATING ACTIVITES				
1	Net Profit Before Tax		-8,996,144		2069614
2	Adjustmenta for :				
	Depreciation and Amortization Expences	2,014,569		2274410	
	loss/(profit) on sale of fixed assest	259177		279505	
	Finance Costs	8,499,403		32018198	
	profit on sale of investments	-63,150		-347606	
	Dividend Income	-7,320		-150000	
	Interest Income	-7,197,893		-6591149	
	Short Term capital Loss	6,152,234		0	
			9,657,021		27483358
	Operating profit before working capital changes		660,878		29552972
3)	Adjustmenta for:				
	Decrease/(increase) in trade receivables	48877117		142496799	
	Decrease/(increase) in inventories	17895347		-20508207	
	Decrease/(increase) in Long term & short term loans & advances	-30633273		35615769	
	Decrease/(increase) in other current assets	5633001		-4754162	
	Decrease/(increase) in trade payable	-1212380		-50406832	
	Increase/(decrease) in long term & short term provisions				
	Increase/(decrease) in other liabilities	-12416762	28143050	10711965	113155332
	Cash generated from operation		28,803,928		142708304
4)	Taxes Paid (net)		693852		8176835
	Net cash from operating activities	A	28,110,076	A	134531469
B	CASH FROM INVESTING ACTIVITIES				
1)	Purchase of fixed assets	-1,204,415		-1028956	
2)	Purchase of intangible assets	0		-36750	
3)	Sale/disposal of fixed assets	500000		59350	
4)	investments in associates	-16,568,195		0	
5)	Purchase of current and non current investments	-10,384,562		-17615060	
6)	Proceeds from sale of current and non current investments	14462297		347606	
8)	Dividend on investments	7,320		1500000	
9)	Interest received	7,197,893		6591149	
			-5,989,663		-11532661
	Net Cash from/(used in) investing activities	B	-5,989,663	B	-11532661
C)	CASH FLOW FROM FINANCING ACTIVITIES				
1)	Interest and finance cost paid	-8,499,403		-32018198	
2)	proceeds form borrowing (net)	-81366079		-121156958	
3)	Proceeds of issue of Share	60000000		0	
4)	Dividend Paid	-1500000		-1500000	
5)	Tax on distributed profits	-243338		-243338	
6)	Preliminary Expences Paid	-140000		-1190000	
	Net Cash from/(used in) financing activities	C	-31,748,820	C	-156108494
	Net increase in cash and cash equivalentents	(A+B+C)	-9625,407	(A+B+C)	-33,109,686

ALACRITY SECURITIES LTD
CASH FLOW STATEMENT AS AT 31st MARCH, 2013

Sr. No.	Particulars	As at 31/03/2013		As at 31/03/2012	
		Rs.	Rs.	Rs.	Rs.
	cash and cash equivalents as at the beginning of the year	95880589		128990275	
	add: cash and cash equivalents taken over				
	amaigamation	0		0	
	Cash and cash equivalents as at the closed of the year	86252182	-9628407 0	95880589	-33109686 0

In Accordance with our Report attached
For Lalit Kumar Dangi & Co.
Chartered Accountants
Firm Registration No. 112107W
Sd/-
(CA Lalit Kumar Dangi)
Proprietor
M No. 45611
Place: Mumbai
Date: 10/07/2013

For and on behalf of the Board

Sd/-
Hiten R Mehta
Whole Time Director

Sd/-
Kishore V Shah
Director

ALACRITY SECURITIES LIMITED
Regd Office: 101, Haridarshan Building, B- Wing, Bhogilal Phadia Road,
Kandivali (W), Mumbai – 400056

PROXY FORM

19th ANNUAL GENERAL MEETING

Folio No.

I/We _____ of _____

_____ in the district of _____

being the member(s) of the above named Company _____

_____ hereby

appoint _____

of _____ in the district of _____

or failing him/her _____ of _____

_____ as my/ our proxy to vote for me/ us on my/our behalf, at the Annual General Meeting of the Company to be held at 101, B-Wing, Haridarshan Building, Bhogilal Phadia Road, Kandivali (W), Mumbai – 400 067. on , 30th September 2013 and at any adjournment thereof.

Folio No.:

D.PID NO:

CLIENT I.D. NO:

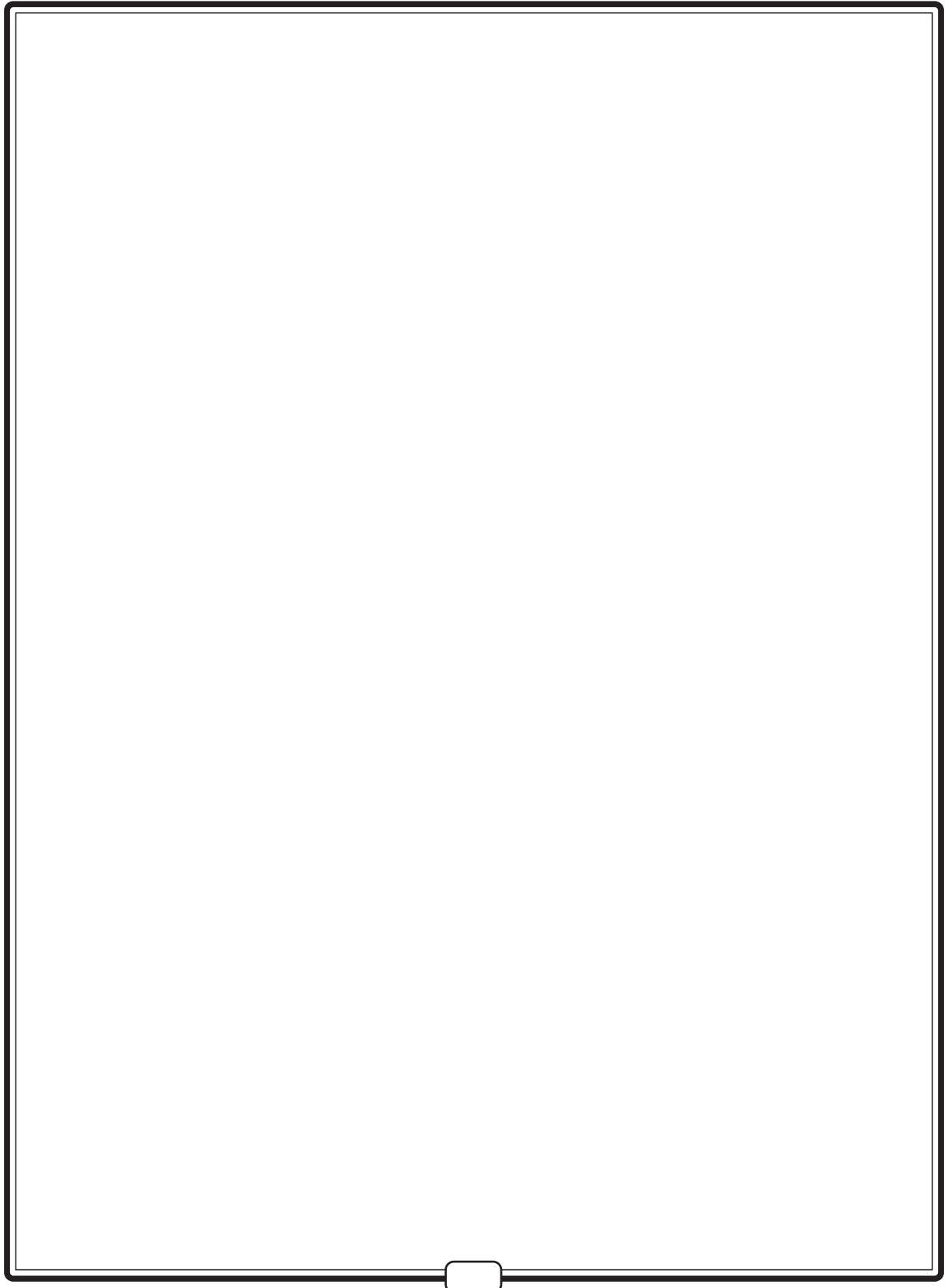
No. of Shares :

Signed this _____ day of _____ 2013.

1 Rs./-
Revenue
stamp

Note : [Type a quote from the document or the summary of an interesting point. You can position the text box anywhere in the document. Use the Text Box Tools tab to change the formatting of the pull quote text box.]

This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



ATTENDANCE SLIP

ALACRITY SECURITIES LIMITED

**Regd Office : 101, Haridarshan Building,B- Wing,Bhogilal Phadia Road,
Kandivali (W), Mumbai – 400056**

19th ANNUAL GENERAL MEETING

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company at **101, Haridarshan Building,B- Wing,Bhogilal Phadia Road, , Kandivali (W), Mumbai – 400 067, 30th September 2013.**

Registered Folio No. : D.P. ID.NO.....

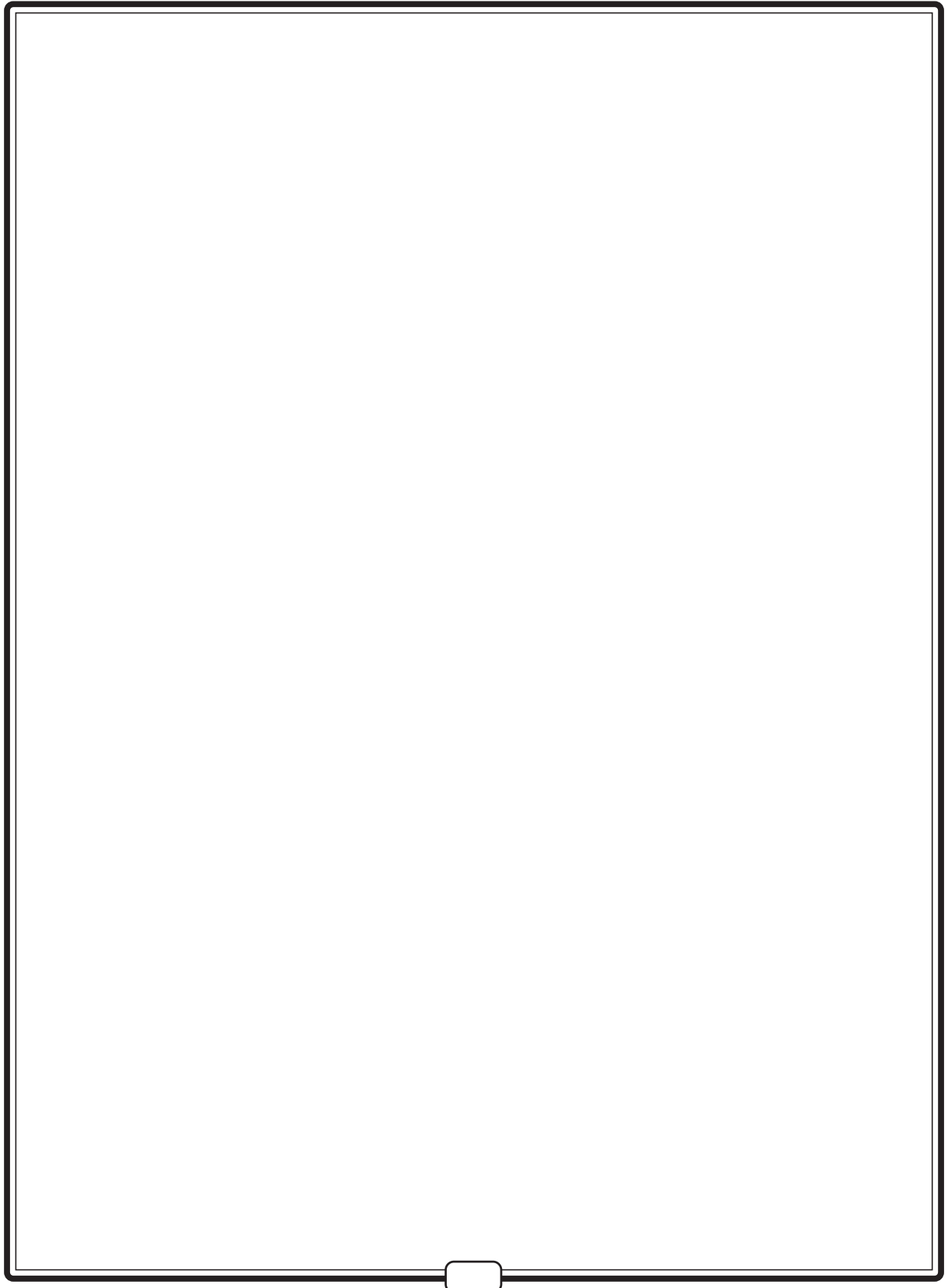
Client ID No.....

Name of the Shareholder :

Note : Please fill in this attendance slip and hand it over at the Entrance.

Members are requested to bring their copy of Annual Report of the meeting.

Signature of the Shareholder / Proxy:.....



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If undelivered please return to:

ALACRITY SECURITIES LIMITED

101, B-Wing, Haridarshan Building

Bhogilal , Phadia Road

Kandivali (W),

Mumbai – 400 067