

Corporate Information

Board of Directors

Mr. Govind Prasad Agrawal	–	Non-Executive Chairman
Mr. Ashok Kumar Gupta	–	Managing Director
Ms. Ashu Gupta	–	Non-Executive Director
Mr. Ajay Kumar	–	Non-Executive & Independent Director
Mr. Chand Krishna Tikku	–	Non-Executive & Independent Director
Mr. Shyam Sunder Lal Gupta	–	Non-Executive & Independent Director

Company Secretary & Compliance Officer

Sagar Gupta

Auditors

M/s. H. K. Chhabra & Co.,
Chartered Accountants
49, DDA, SFS, Pocket - 2 Sector-9,
Dwarka, New Delhi - 110 077

Bankers

HDFC Bank Ltd.
AXIS Bank Ltd.
Punjab National Bank

Registrar & Share Transfer Agent

M/s. Beetal Financial & Computer Services Pvt. Ltd.
"Beetal House", 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi-110 062
Phone Number : 011-29961281/82
Fax Number : 011-29961280/84
E-mail : beetalrta@gmail.com
Website: www.beetalfinancial.com

Registered Office

F-33/3, Okhla Industrial Area, Phase-II,
New Delhi-110 020

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Directors' Report

To the Members,

The Board of Directors of your Company have pleasure in presenting the 24th Annual Report of Avonmore Capital & Management Services Limited alongwith the Audited statement of accounts and the Auditor's Report for the year ended 31st March, 2016.

FINANCIAL RESULTS

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

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
Gross Income	190.00	461.00
Profit before Interest, Depreciation & Tax	139.42	387.92
Less / (Add) : Prior Period Items expenses / (income)	—	0.04
Less : Interest	18.60	28.46
Less : Provision / (Reversal of Depreciation)	0.10	0.09
Less : Provisions for Taxes	8.37	16.93
Net Profit after Tax	142.34	342.40

BUSINESS REVIEW / STATE OF THE COMPANY'S AFFAIRS

Total revenues for the year ended March, 31, 2016 amounted to Rs. 190.00 Lakhs as compared to Rs. 461.00 Lakhs in the previous year. Profit before interest and depreciation for the financial year 2015-16 is amounted to Rs. 139.42 Lakhs as against Rs. 387.92 Lakhs in the last year. The Profit for the financial year 2015-16 is Rs. 142.34 Lakhs as against the profit of Rs. 342.40 Lakhs in the previous financial year.

Statement on Financial Conditions and Results of Operations of the Company describing the Company's objectives, expectations or predictions are given in Management Discussion and Analysis Report attached to this Board Report.

RBI GUIDELINES

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

DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares of the Company for the current financial year due to conservation of Profits for the future aspects.

RESERVES

Our Company has in accordance with the provisions of Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, created a Reserve Fund and during the year under review the Company has transferred an amount of Rs. 28,46,783/- (Rupees Twenty Eight Lakh Forty Six Thousand Seven Hundred Eighty Three Only) out of the profits of the year to the said Reserve Fund.

SHARE CAPITAL

During the year under review, the Company has not issued shares or increased its Share Capital.

PUBLIC DEPOSITS

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

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

As on March 31, 2016, your Company has the following entities as its subsidiaries and Associates :

- Almondz Infosystem Private Limited
- Almondz Global Securities Limited
- Express Infra Financial Consultancy Private Limited * (till 17th August, 2015)
- Latitude 23 Communications Limited
- Red Solutions Private Limited
- Apricot Infosoft Private Limited
- Avonmore Developers Private Limited
- Anemone Holdings Private Limited
- Glow Apparels Private Limited
- Almondz Insurance Brokers Private Limited
- Shivsathi Niketan Limited
- Yug Infrastructures Private Limited (Associates)
- Carya Chemicals & Fertilizers Private Limited. (Associates).

During the period under report, Almondz Global Securities Limited and Red Solutions Private Limited have also become the subsidiaries of your Company w.e.f. 01.04.2015 and 17.07.2015 respectively.

During the period under report, following Companies ceased to be subsidiary of Avonmore Capital & Management Services Limited, due to following reasons :

- Express Infra Financial Consultancy Private Limited w.e.f. 17th August, 2015 as Avonmore Capital & Management Services Limited sold 100% shareholding of the said Company.

2. Almondz Reinsurance Brokers Private Limited (ARBPL) which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL vide order dated 22 December 2015 of Honorable High Court of Delhi.

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies in the prescribed format AOC-1 is attached with the Directors' Report of the Company for the financial year ended March 31, 2016.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Regulation 34 of the Listing Regulations and Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements as per the Accounting Standards applicable to the Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Audited Consolidated Financial Statements along with the Auditors' Report are annexed with this Report. The said Financial Statements are also available on the website of the Company www.avonmorecapital.in.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Management of the Company underwent the following changes :

DIRECTORS

- ◆ Ms. Ashu Gupta has been regularized as the Director of the Company in the 23rd Annual General Meeting of the Company.
- ◆ In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Govind Prasad Agrawal is liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible have offered himself for his appointment. Your Board recommends his re-appointment.
- ◆ Pursuant to sub-section (6) of Section 149 of the Companies Act, 2013, a declaration by Independent Director(s), that they meet the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 is received and taken on record.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

KEY MANAGERIAL PERSONNEL

- ◆ Mr. Ashok Kumar Gupta : Managing Director.
- ◆ Mr. Kunal Madaan ceased to be Company Secretary and Compliance Officer, with effect from February 29, 2016.
- ◆ Mr. Sagar Gupta : Company Secretary and Compliance Officer, with effect from May 02, 2016.

LISTING

The Company is listed with Bombay Stock Exchange Ltd and Delhi Stock Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that :

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

The Auditors, M/s H. K. Chhabra & Co., Chartered Accountants were appointed as statutory auditors of the Company at the 23rd Annual General Meeting held on 29th September, 2015 to hold office till the conclusion of the 25th Annual General Meeting subject to ratification by the members at each Annual General Meeting. Accordingly, the appointment of M/s H. K. Chhabra & Co., Chartered Accountants is placed for ratification before the shareholders. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and rules made there under.

Further, the report of the Statutory Auditors alongwith notes to Schedules for the year ended 31st March, 2016 is enclosed to this report. The Auditors' Report is self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS

The Board had appointed M/s. C. B. Mishra & Associates, Company Secretaries in Wholtime Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16.

The Secretarial Audit report in the prescribed Form No MR-3, is annexed as **Annexure - 1**.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. C. B. Mishra & Associates, Practicing Company Secretaries in their audit report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3) (m) of the Companies Act, 2013, and the rules made there under relating to conservation of energy, technology absorption do not apply to your company as it is not a manufacturing Company.

However, your Company has been increasingly using information technology in its operations and promotes conservation of resources.

There was no foreign exchange inflow or Outflow during the year under review.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 are provided in **Annexure - 2**.

In terms of the provisions of Section 197 (12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee have drawn remuneration in excess of the limits set out in the said rules.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent in the industry. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulation, 2015 forms an integral part of this Report. The requisite certificate from the Practicing Chartered Accountant confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

GROUP COMING WITHIN THE DEFINITION OF GROUPS DEFINED IN THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969

(54 of 1969)

The following persons constitute the Group coming within the definition of group as defined in the Monopolies and Restrictive Practices Act, 1969 (54 of 1969) :

Mr. Navjeet Singh Sobti

Ms. Gurpreet N S Sobti

Innovative Money Matters Private Limited

Almondz Global Securities Limited

Rakam Infrastructures Private Limited

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

MEETINGS OF THE BOARD

During the year 6 (Six) meetings of the Board of Directors were held i.e. 29th May, 2015, 07th July, 2015, 14th August, 2015, 19th October, 2015, 09th November, 2015, and 13th February, 2016. For further details, please refer report on Corporate Governance forming part of Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of three Independent Directors and one Non-Executive Director viz., Mr. Ajay Kumar (Chairman), Mr. Govind Prasad Agrawal, Mr. Shyam Sunder Lal Gupta and Mr. Chand Krishan Tikku as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

EXTRACTS OF ANNUAL RETURN

An extracts of Annual Return as prescribed under section 92 (3) of the Companies Act, 2013 ('the Act') and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT-9 is attached as **Annexure - 3**.

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2016 and August 12, 2016, being the date of this report.

RELATED PARTY TRANSACTIONS

The Company has adopted Framework on Related party Transactions for the purpose of identification and monitoring of such Transactions.

Details of Material Contracts and arrangements or transactions with related party on an arm's length basis with respect to transactions covered under Section 188(1) of the Act in the prescribed Form No. AOC-2 is attached in **Annexure - 4**. Further details of Related Party transactions as required to be disclosed by Accounting Standard-18 on "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

During the year, the Company has not entered into any transactions with Related Parties which are not on an arm's Length Basis and which require disclosure in this report in terms of the provisions of Section 188(1) of the Act.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

A Risk Management Policy for the Company has been adopted by the Board. The Company manages risk through a detailed Risk Management Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to. Risk is managed by the Board/ Risk Management Committee of the Board through appropriate structures that are in place at your Company, including suitable reporting mechanisms.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiative under the provisions of section 135 of the Companies Act, 2013, read with Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, as the said provisions are not applicable.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The provisions of Section 186 of the Act pertaining to investment and lending activities are not applicable to the Company since the Company is a Non Banking Financial Company (NBFC).

Details of guarantees and/or security in connection with loans to other Bodies Corporate or persons as covered under the provisions of Section 186 of the Act are given in the Standalone Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under report, there are no significant or material orders passed by any regulator, court or tribunal impacting the going concern status and Company's operations in future.

EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement), 2015 effective from 01.12.2015, the Board has carried out an annual performance evaluation of its own performance, the individual director's performance including Chairman and independent directors as well as an evaluation of the working of all Board Committees.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In compliance with the provisions of the Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirement), 2015, the Independent Directors held a meeting on May 28, 2016, and :

- Reviewed the performance of non-independent directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the Company.
- Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

Necessary implementations of their suggestions have been initiated.

HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with read with SEBI (LODR) Regulations, 2015 Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances, actual or suspected fraud or violation of the Codes of Conduct or policy. The said mechanism encompasses the Whistle Blower Policy and provides for adequate safeguards against victimization of persons who use such mechanism. It also provides direct access to the Chairman of the Audit Committee. The Vigil Mechanism Policy has been uploaded on the website of the

Company at www.avonmorecapital.in under whistle blower Policy link.

INTERNAL CONTROL SYSTEMS

ACMS's internal control systems are designed to ensure operational efficiency, accuracy and promptness in financial reporting and compliance with Laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficiency of the internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls. ACMS's internal control system is commensurate with its size, nature and operations.

NOMINATION AND REMUNERATION POLICY

In Accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors have adopted a Policy on Directors appointment and remuneration, including the criteria for determining qualification positive attributes independence of a Director and other matters. The Remuneration policy for directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration policy aims to ensure that the level and composition of the remuneration of Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014

Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and con-fidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

The company did not receive any complaints to report in the Board's report.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors
Avonmore Capital & Management Services Limited

Govind Prasad Agrawal **Ashok Kumar Gupta**
Director Managing Director
(DIN : 00008429) (DIN : 02590928)

New Delhi
12th August, 2016

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

S. No.	1	2	3	4	5	6	7	8
Name of the subsidiary	Almondz Infosystem Private Limited	Latitude 23 Communication Limited	Red Solutions Private Limited	Almondz Global Securities Limited	Avonmore Developers Private Limited	Glow Apparels Private Limited	Apricot Infosoft Private Limited	Anemone Holdings Private Limited
Date since when Subsidiary was acquired	31.12.2012	31.03.2014	17.07.2015	01.04.2015	23.07.2014	23.02.2015	10.06.2014	21.02.2015
Reporting period for the subsidiary concerned, if different from the holding company's	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company
Share capital	5,00,000	18,49,000	1,31,45,000	15,53,09,802	8,50,00,000	2,00,00,000	3,00,00,000	1,00,000
Reserve & surplus	(7,552)	(15,53,169)	(1,36,98,344)	1,06,07,83,170	(11,09,116)	(5,46,859)	(4,59,654)	(38,230)
Total assets	5,20,390	3,01,593	18,11,43,772	1,55,29,53,008	8,39,33,249	2,65,15,084	2,95,86,316	74,033
Total Liabilities	27,942	5,762	18,16,97,116	33,68,60,036	42,365	70,61,943	45,970	12,263
Investments	—	—	—	62,29,03,122	8,06,65,280	2,62,79,445	2,95,00,000	—
Turnover	50,875	—	1,99,808	39,75,47,458	2,31,612	23,500	22,500	—
Profit before taxation	1,587	(17,044)	(3,39,526)	15,22,471	(5,73,313)	(64,191)	(4,51,712)	(25,043)
Provision for taxation	(2,297)	—	(3,362)	(54,16,909)	34,700	—	—	—
Profit after taxation	3,884	(17,044)	(3,36,164)	69,39,380	(6,08,013)	(64,191)	(4,51,712)	(25,043)
Proposed Dividend	—	—	—	—	—	—	—	—
% of Shareholding	100	100	100	53.6	100	100	100	100

Note :

- Name of Subsidiaries which are yet to commence operation : NIL
- Names of subsidiaries which have been liquidated or sold during the year
 - Express Infra Consultancy Private Limited

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B" : Associates and Joint Ventures

S. No.	1	2
Name of associate	Yug infrastructures Private Limited	Carya Chemicals Private Limited
Latest audited Balance Sheet Date	31.03.2016	31.03.2016
Date on which the Associate was associated or acquired	21.11.2014	27.08.2015
Shares of Associates held by the company on the year end (Nos.)	15,00,000	2,95,000
Amount of investment in Associates	1,50,00,000	29,50,000
Extend of Holding (%)	50%	40.91%
Description of Significant influence	Indirect Holding	Indirect Holding
Reason for no consolidation of associates	N. A.	N. A.
Networth attributable to Shareholding as per latest audited Balance Sheet	3,11,11,896	7,19,60,162
Profit/ Loss for the year	9,75,826	(-) 61,384
i. Considered in Consolidation (%)	50%	40.91%
ii. Not Considered in Consolidation (%)	50%	59.09%

Note :

1. Names of Associates which have been liquidated or sold during the year : NIL

As per our report of even date attached

For and on behalf of Board of Directors

For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

(Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,

Avonmore Capital & Management Services Limited,

(CIN : L67190DL1991PLC045857)

Regd. Office: F-33/3, Okhla Industrial Area,

Phase-II, New Delhi-110 020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avonmore Capital & Management Services Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st march, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Avonmore Capital & Management Services Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).
- (vi) Other laws specifically applicable to the Company, namely the Rules, Regulations, Guidelines and Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934.

We have also examined compliance with the applicable clauses of the following :

- i. Secretarial Standards issued by "The Institute of Company Secretaries of India".
- ii. The Listing Agreements entered into by the Company with the Delhi Stock Exchange Limited and the Bombay Stock Exchange Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Board of the Company has given unanimous approval for giving loan, guarantee, security and investment in its wholly owned subsidiary.

We further report that during the audit period the company has not done any activities having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above) such as :

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

For **C.B. Mishra & Associates**
Company Secretaries

Place : New Delhi
Date : 12th August, 2016

(**C.B. MISHRA**)
Prop.
C. P. No. : 7254

Note : This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.

Annexure - A

The Members,
Avonmore Capital & Management Services Limited,
(CIN : L67190DL1991PLC045857)
Regd. Office: F-33/3, Okhla Industrial Area,
Phase-II, New Delhi-110 020

Our report of even date is to be read along with this letter :

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **C.B. Mishra & Associates**
Company Secretaries

Place : New Delhi
Date : 12th August, 2016

(**C.B. MISHRA**)
Prop.
C. P. No. : 7254

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

Sr. No.	Requirement	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year is 6.37 times
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	During the year under review, there was 7.16% increase in remuneration of Managing Director, 10% increase in remuneration of Chief Financial Officer and no increase in the remuneration of Company Secretary
III	The percentage increase in the median remuneration of employees in the financial year	10%
IV	The number of permanent employees on the rolls of the Company	The Company had 3 employees on the rolls as on March 31, 2016
V	The explanation on the relationship between average increase in remuneration and Company performance	The Company's PAT has fallen from Rs. 342.40 Lakhs to Rs. 142.34 Lakhs, against which the average increase in remuneration is 7.53% and this increase is in line with the policy of Company. The hike was in consonance with the wage hike given by the industry
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2015-16, all the KMPs were paid approx 14.87% of the standalone profit after tax for the year
VII	Variations in the market capitalization of the Company Price earnings ratio as at the closing date of the current FY and previous FY Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalisation as on March 31, 2016 was Rs. 2038.76 Lacs (Rs. 3152.79 Lacs as on March 31, 2015) Price Earnings ratio of the Company was Rs. 15.27 as at March 31, 2016 and was Rs. 8.90 as at March 31, 2015 The Company's stock price as at March 31, 2016 has decreased by approximately 79% to 'Rs. 8.40 per share having face value of 'Rs. 10/- each over the last public offering i.e. IPO in May 1996 at the price of 'Rs. 40/- per share with face value of '10/- each
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in : • Managerial Remuneration - 7.54% • For employees other than Key Managerial Personnel : 7.5%
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Revenue (Rs. In Lakhs)- 190.00 Managing Director – 16.61 Lakhs (8.75% of Revenue) CFO – 1.99 Lakhs (1.05% of Revenue) CS – 2.57 Lakhs (1.35% of Revenue)
X	The key parameters for any variable component of remuneration availed by the directors.	The broad factors and guidelines considered for the variable remuneration of directors are : (a) Annual Performance Review of the Directors; and (b) Financial outcomes and profitability of the Company and the group
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

1.	CIN	L67190DL1991PLC045857
2.	Registration Date	30/09/1991
3.	Name of the Company	Avonmore Capital & Management Services Limited
4.	Category / Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110 020 Tel : +91 11 26385056 E-mail : delhi@almondz.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Beetal Financial & Computer Services (P) Limited "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110062 Tel : +91 11 29961281-82 Fax : 011-29961280/84 E-mail : beetalrta@gmail.com Website : www.beetalfinancial.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Shares Trading	66190	67.39
2	Investment Income	66190	20.21
3	Financing Activity	649	10.77

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AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Almondz Infosystem Private Limited	U72200DL2012PTC246813	Subsidiary	100	2(87)
2.	Almondz Global Securities Limited	L74899DL1994PLC059839	Subsidiary	53.61	2(87)
3.	Latitude 23 Communications Ltd.	U72900DL2005PLC141221	Subsidiary	100	2(87)
4.	Red Solutions Private Limited	U74999DL2012PTC240027	Subsidiary	100	2(87)
5.	Apricot Infsoft Private Limited	U72900DL2014PTC266689	Subsidiary	100	2(87)
6.	Avonmore Developers Private Limited	U70200DL2013PTC253548	Subsidiary	100	2(87)
7.	Anemone Holdings Private Limited	U67190DL2014PTC268993	Subsidiary	100	2(87)
8.	Glow Apparels Private Limited	U18109DL2012PTC230469	Subsidiary	100	2(87)
9.	Almondz Insurance Brokers Private Limited	U74999DL2003PTC119593	Subsidiary	51	2(87)
10.	Shivsathi Niketan Limited	U74900WB2013PLC191733	Subsidiary	52	2(87)
11.	Yug Infrastructures Private Limited	U70102DL2013PTC257417	Associate	50	2(6)
12.	Carya Chemicals & Fertilizers Private Limited	U24297DL2013PTC252503	Associate		2(6)

* Express Infra Financial Consultancy Private Limited ceased to be Subsidiary of Avonmore Capital & Management Services Limited w.e.f. 16th August, 2015 as the Company sold 100% shareholding.

** Almondz Reinsurance Brokers Private Limited (ARBPL) which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL vide order dated 22 December 2015 of Honorable High Court of Delhi.

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
1) Indian									
a) Individual / HUF	0	0	0	0	405088	0	405088	1.67	(+) 1.67
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	8589251	0	8589251	35.39	9090473	0	9090473	37.45	(+) 2.06
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	5000	0	5000	0.02	0	0	0	0	(-) 0.02
Sub-total (A) (1):	8594251	0	8594251	35.41	9495561	0	9495561	39.12	(+) 3.71
2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A) (1)+(A) (2)	8594251	0	8594251	35.41	9495561	0	9495561	39.12	(+) 3.71

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
A. Category-wise Share Holding (Continued)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	2600	2600	0.01	0	2600	2600	0.01	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1) :	0	2600	2600	0.01	0	2600	2600	0.01	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	13214729	6900	13221629	54.48	12179183	6900	12186083	50.21	(-) 4.27
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	537492	172516	710008	2.93	531196	171810	703006	2.90	(-) 0.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1576167	21600	1597767	6.58	1727636	21,600	1749236	7.21	(+) 0.63
c) Others (specify)									
Non Resident Indians	19649	47500	67149	0.28	20161	47500	67661	0.28	0
HUF	76528	0	76528	0.32	65648	0	65648	0.27	(-) 0.05
Clearing Members	968	0	968	0	1105	0	1105	0	0
Sub-total (B)(2) :	15425533	248516	15674049	64.58	14524929	247810	14772739	60.87	(-) 3.71
Total Public Shareholding (B)=(B)(1) + (B)(2)	15425533	251116	15676649	64.59	14524929	250410	14775339	60.88	(-) 3.71
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	24019784	251116	24270900	100	24020490	250410	24270900	100	0

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

B) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered of total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered of total Shares	
1.	Innovative Money Matters Private Limited	85,89,251	35.39	0	85,89,251	35.39	0	0
2.	Gurpreet N.S. Sobti *	5000 *	0.02	0	5000 *	0.02	0	0
3.	Navjeet Singh Sobti	0	0	0	400088	1.65	0	1.65
4.	Rakam Infrastructures Private Limited **	5,01,222	2.07	0	501222	2.07	0	0

* Gurpreet N.S Sobti who is holding 5000 shares is not promoter. Since she is wife of Mr. Navjeet Singh Sobti (Promoter), therefore included in promoter group.

** Rakam Infrastructures Pvt. Ltd. has been included in the promoter list.(Gurpreet Sobti has Indirectly Acquired 61.39% of Rakam Infrastructures Private Limited which holds 5,01,222 shares equivalent to 2.07% shares of the ACMS.)

C) Change in Promoter's Shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Innovative Money Matters Private Limited	85,98,251	35.3891	01-04-2015	N. A	N. A	85,98,251	35.3891
						NIL Movement during the year		
		85,89,251	35.3891	31-03-2016			85,89,251	35.3891
2.	Gurpreet N. S. Sobti	5,000	0.0206	01-04-2015	N. A.	N. A.	5,000	0.0206
						NIL Movement during the year		
		5,000	0.0206	31-03-2016	N. A.	N. A.	5,000	0.0206
3.	Navjeet Singh Sobti	0	0	01-04-2015	N.A.	N.A.	0	0
				22-03-2016	21,408	Acquisition	21,408	0.08
				23-03-2016	1,14,780	Acquisition	1,36,188	0.56
				28-03-2016	97,670	Acquisition	2,33,858	0.96
				29-03-2016	1,19,895	Acquisition	3,53,757	1.45
				30-03-2016	46,335	Acquisition	4,00,088	1.64
		4,00,088	1.6484	31-03-2016	N. A.	N. A.	4,00,088	1.6484

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

C) Change in Promoter's Shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4.	Rakam Infrastructures Private Limited	5,01,222	2.07	01-04-2015	N. A.	N. A.	5,01,222	2.07
						NIL Movement during the year		
		5,01,222	2.07	31-03-2016	N.A.	N.A.	5,01,222	2.07

D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Veena Gases & Chemicals Private Limited	15,24,058	6.2794	01-04-2015	N. A.	N. A.	15,24,058	6.2794
						NIL Movement during the year		
		15,24,058	6.2794	31-03-2016	N. A.	N. A.	15,24,058	6.2794
2.	Dinkar Commercials Private Limited	15,00,000	6.1802	01-04-2015	N. A.	N. A.	15,00,000	6.1802
						NIL Movement during the year		
		15,00,000	6.1802	31-03-2016	N. A.	N. A.	15,00,000	6.1802
3.	Amarendra Financial Private Limited	15,00,000	6.1802	01-04-2015	N. A.	N. A.	15,00,000	6.1802
						NIL Movement during the year		
		15,00,000	6.1802	31-03-2016	N. A.	N. A.	15,00,000	6.1802

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4.	Nishant Inbuild Limited	11,64,004	4.7959	01-04-2015	N. A.	N. A.	11,64,004	4.7959
						NIL Movement during the year		
		11,64,004	4.7959	31-03-2016	N. A.	N. A.	11,64,004	4.7959
5.	KKM Enterprises Private Limited	10,06,195	4.1457	01-04-2015	N. A.	N. A.	10,06,195	4.1457
				05-06-2015	9,990	Transfer	9,96,205	4.1045
				19-06-2015	10,000	Acquisition	10,06,205	4.1457
				26-06-2015	4,000	Acquisition	10,10,205	4.1622
				03-07-2015	10,000	Acquisition	10,20,205	4.2034
				23-10-2015	9,000	Acquisition	10,29,205	4.2405
				08-01-2016	4,820	Transfer	10,24,385	4.2206
				29-01-2016	3,500	Transfer	10,20,885	4.2062
				05-02-2016	1,360	Transfer	10,19,525	4.2006
				26-02-2016	5,690	Acquisition	10,25,215	4.2241
				04-03-2016	8,000	Acquisition	10,33,215	4.257
		10,33,215	4.257	31-03-2016	N. A.	N. A.	10,33,215	4.257
6.	Ramble Markets Private Limited	10,10,400	4.163	01-04-2015	N. A.	N. A.	10,10,400	4.163
						NIL Movement during the year		
		10,10,400	4.163	31-03-2016	N. A.	N. A.	10,10,400	4.163
7.	Desire Retails Private Limited	10,00,000	4.1202	01-04-2015	N. A.	N. A.	10,00,000	4.1202
						NIL Movement during the year		
		10,00,000	4.1202	31-03-2016	N. A.	N. A.	10,00,000	4.1202
8.	PMC Fincorp Limited (earlier Priti Mercantile Company Limited)	10,00,000	4.1202	01-04-2015	N. A.	N. A.	10,00,000	4.1202
						NIL Movement during the year		
		10,00,000	4.1202	31-03-2016	N. A.	N. A.	10,00,000	4.1202

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
9.	Swift buildwell Private Limited	9,54,593	3.9331	01-04-2015	N. A.	N. A.	9,54,593	3.9331
				23-10-2015	9,000	Transfer	9,45,593	3.896
				29-01-2016	1,700	Transfer	9,43,893	3.889
				12-02-2016	10,000	Transfer	9,33,893	3.8478
				19-02-2016	23,120	Acquisition	9,57,013	3.943
				26-02-2016	6,000	Transfer	9,51,013	3.9183
		9,51,013	3.9183	31-03-2016	N. A.	N. A.	9,51,013	3.9183
10.	Dilip Kumar Lakhi	5,36,263	2.2095	01-04-2015	N. A.	N. A.	5,36,263	2.2095
						NIL Movement during the year		
		5,36,263	2.2095	31-03-2016	N. A.	N. A.	5,36,263	2.2095

E) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Ashok Kumar Gupta	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	31-03-2016	N. A.	N. A.	0	0
2.	Ajay Kumar	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	31-03-2016	N. A.	N. A.	0	0

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

E) Shareholding of Directors and Key Managerial Personnel (Contd.)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
3.	Govind Prasad Agrawal	50,000	0.21	01-04-2015	N. A.	N. A.	50,000	0.21
						NIL Movement during the year		
		50,000	0.21	31-03-2016	N. A.	N. A.	50,000	0.21
4.	Shyam Sunder Lal Gupta	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	31-03-2016	N. A.	N. A.	0	0
5.	Chand Krishan Tikku	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	31-03-2016	N. A.	N. A.	0	0
6.	Ashu Gupta	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	31-03-2016	N. A.	N. A.	0	0
7.	Kunal Madaan	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	29-02-2016	N. A.	N. A.	0	0
8.	Shruti Aggarwal (Chief Financial Officer)	0	0	01-04-2015	N. A.	N. A.	0	0
						NIL Movement during the year		
		0	0	31-03-2016	N. A.	N. A.	0	0

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Indian Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	9,79,692	0	9,79,692
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	9,79,692	0	9,79,692
Change in Indebtedness during the financial year				
* Addition-Loan	0	6,59,73,572	0	6,59,73,572
* Reduction-Loan	0	5,14,79,692	0	5,14,79,692
Net Change	0	1,54,73,572	0	1,54,73,572
Indebtedness at the end of the financial year				
i) Principal Amount	0	1,38,00,000	0	1,38,00,000
ii) Interest due but not paid	0	16,73,572	0	16,73,572
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1,54,73,572	0	1,54,73,572

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(Amount in Indian Rupees)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Ashok Kumar Gupta	
1	Gross Salary	16,61,100/-	16,61,100/-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0 0	0 0
5	Others, please specify	0	0
	Total (A)	16,61,100/-	16,61,100/-
	Ceiling as per the Act	* 42 lacs PA	

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

B. Remuneration to other Directors

(Amount in Indian Rupees)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shyam Sunder Lal Gupta	Chand Krishan Tikku	Ajay Kumar	G.P. Agrawal	Ashu Gupta	
1	Independent Directors						
	Fee for attending board / committee meetings	98,000	88,000	79,000	0	0	2,65,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	98,000	88,000	79,000	0	0	2,65,000
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	0	0	0	1,03,000	60,000	1,63,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	1,03,000	60,000	1,63,000
	Total (B) = (1+2)	98,000	88,000	79,000	1,03,000	60,000	4,28,000
	Total Managerial Remuneration	Total remuneration to Managing Director and other Directors (being the total of A and B)					
	Overall Ceiling as per the Act	Upto Rs. One Lac per Director for each meeting of Board / Committee					

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Kunal Madaan (CS) *	Shruti Aggarwal (CFO)	
1	Gross salary		2,56,984	1,98,755	4,55,739
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Not Applicable	0	0	0
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission				
	— as % of profit		0	0	0
	— others, specify...		0	0	0
5	Others, please specify		0	0	0
	Total		2,56,984	1,98,755	4,55,739

* Mr. Kunal Madaan ceased to be Company Secretary of the Company w.e.f. 29.02.2016.

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

During the year 2015-16, there were no penalties / punishment / compounding of offences under Companies Act, 2013.

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis – Not Applicable
2. Details of contracts or arrangements or transactions at Arm's length basis.

(in. Rs.)

S. No.	Name of the Related Party	Nature of Relationship	Nature of Contracts / arrangements transactions	Amount	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts / arrangements / Transactions including the value, if any	Amount paid as advances, if any
1.	Express Infra Financial Consultancy Pvt Ltd	Subsidiary	Interest income	1,100	For FY 2015-16	Interest income on Loan given	—
			Loans and advances given during the year	45,00,000	Ongoing, subject to repayment	Loan given at prevailing market rate	—
			Repayment of loans granted	45,00,000	N. A	N. A	—
2.	Glow Apparels Pvt. Ltd.	Subsidiary	Loans and advances given during the year	66,00,000	Ongoing, subject to repayment	Loan given at prevailing market rate	—
			Interest income	4,44,197	For FY 2015-16	Interest income on Loan given	—
3.	Apricot Infosoft Pvt. Ltd.	Subsidiary	Investment in equity shares made during the year	2,99,00,000	Long Term Investment	Total 29,90,000 shares of Rs. 10/- each	—
			Advance given	4,24,360	N. A	N. A	—
			Advance given repaid	3,98,850	N. A	N. A	—
4.	Avonmore Developers Pvt. Ltd.	Subsidiary	Repayment of Loans granted	5,00,000	N. A	N. A	—
			Advance given repayment	2,374	N. A	N. A	—
			Investment in equity shares made during the year	7,00,00,000	Long Term Investment	Total 70,00,000 shares of Rs. 10/- each	—
			Interest income	19,125	For FY 2015-16	Interest income on Loan Given	—
5.	Almondz Global Securities Ltd.	Subsidiary	Investment in equity shares made during the year	95,48,838	Long Term Investment	Purchased of equity shares from open market	—
			Advance given	1,000	N. A	N. A	—
			Advance given repaid	1,000	N. A	N. A	—
			Rendering of services	3,77,036	ongoing	Payment of brokerage, DP charges and charges on delayed payment	—
6.	Almondz Infosystem Pvt. Ltd.	Subsidiary	Interest income	21,639	For FY 2015-16	Interest income on Loan given	—
			Loans and advances given during the year	11,00,000	Ongoing, subject to repayment	Loan given at prevailing market rate	—

Annexure - 4 (Continued)

(in. Rs.)

S. No.	Name of the Related Party	Nature of Relationship	Nature of Contracts / arrangements transactions	Amount	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts / arrangements / Transactions including the value, if any	Amount paid as advances, if any
6.	Almondz Infosystem Pvt. Ltd.	Subsidiary	Repayment of loans granted	11,00,000	N. A	N. A	—
			Advances given during the year	3,200	Ongoing, subject to repayment	N. A	—
			Advances given repayment	3,200	N. A	N. A	—
7.	Red Solutions Pvt. Ltd.	Subsidiary	Interest income	53,32,123	For FY 2015-16	Interest income on Loan given	—
			Loans and advances given during the year	9,18,00,000	Ongoing, subject to repayment	Loan given at prevailing market rate	—
			Repayment of Loan granted	79,00,000	N. A	N. A	—
			Investment in equity shares made during the year	25,000	Long Term Investment	Total 2,500 shares of Rs. 10/- each	—
8.	Almondz Finanz Limited	Step-down Subsidiary	Advances received during the year	1,000	Ongoing, subject to repayment	N. A	—
			Advances repaid during the year	1,000	N. A	N. A	—

Note : Appropriate Approvals have been taken for related party transactions

For and on behalf of the Board of Directors

New Delhi
12th August, 2016

Ashok Kumar Gupta **Govind Prasad Agrawal**
Managing Director Director
(DIN : 02590928) (DIN : 00008429)

Corporate Governance Report

[Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of the Report of the Board of Directors]

The Corporate Governance Report for the year 2015-16 which has been prepared pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 contains details relating to the aforesaid year.

1. COMPANY'S PHILOSOPHY ON GOVERNANCE

Corporate Governance primarily involves transparency, complete disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. Your Company is committed to conducting business the right way which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Company in the financial services space in India. The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy, the Company has moved ahead in its pursuit of excellence in corporate governance.

Our Board has independent directors, highly respected for their professional integrity as well as rich financial and banking experience and expertise. We have an advisory board comprising stalwarts with long and immaculate careers in banks, public service and legal profession.

2. BOARD OF DIRECTORS

(a) Composition of Board :

In terms of Corporate Governance philosophy all statutory and other significant material information is placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

The Board of Directors of the Company comprises of 6 Directors drawn from various field of expertise in their functional areas and bring a wide range of the skills and experience on the Board. The Company has combination of Executive and Non-Executive Directors with Non-Executive Chairman, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 152 of the Companies Act, 2013. Of the 6 Directors, 1 is Executive Director and 5 Non Executive Directors, of which 3 are Independent Directors and 1 is Women (Non Independent) Director. The Chairman of your Company is neither a promoter nor related to the promoters of your Company.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, necessary disclosures regarding committee positions in other public companies as on March 31, 2016 have been made by the Directors to the Company. Further, none of the Directors are related to any other Director on the Board

(b) Categories and Attendance of Directors

Sl. No.	Name	Category / Designation	Attendance Particulars			Age (in years)	No. of Directorship/s in other companies *	No. of Membership(s) / Chairmanship(s) in Board Committees (in other public company) **	
			No. of Board Meetings		Last AGM			Member	Chairman
			Held	attended	attended				
1	Mr. Ashok Kumar Gupta	Executive / Managing Director	6	6	Yes	50	1	1	—
2	Mr. Chand Krishna Tikku	Independent Director	6	6	No	86	—	—	—
3	Mr. Govind Prasad Agrawal	Non-independent Director	6	6	Yes	61	6	4	1
4	Mr. Shyam Sunder Lal Gupta	Independent Director	6	6	No	82	2	2	1
5	Mr. Ajay Kumar	Independent Director	6	6	Yes	65	2	4	2
6	Ms. Ashu Gupta	Non- Independent Director	6	5	No	46	—	—	—

* dose not include private companies, foreign companies and companies under section 8 of the Companies Act, 2013.

** includes membership / chairmanship of Audit Committee and Stakeholder Relationship Committees of the Board of Directors.

Brief Profile of Board**Ashok Kumar Gupta**

Mr. Ashok Kumar Gupta (FCS) born on 25th June, 1965 is a commerce graduate and is also a fellow member of 'The Institute of Company Secretaries of India'. Mr. Ashok Kumar Gupta is having vast experience in the field of finance, accounts and secretarial matters of the Companies.

Shyam Sunder Lal Gupta

Mr. Shyam Sunder Lal Gupta born on 28th September, 1933 is M.Com, LL.B, MBA & CAIIB and is Advocate, at Supreme Court of India and the Delhi High Court, New Delhi. He was associated for over 3 decades with the Industrial Finance Corporation of India as its Legal Adviser and Head of the Legal Department in the grade and with the status of a Chief General Manager. Mr. Shyam Sunder Lal Gupta was also associated with M/s Orr. Dinam & Co., a renowned firm of Solicitors and Advocates, as the head of their Delhi office. During his association he had handled the work of Supreme Court, High Courts, MRTCP Commission, CLB, Arbitrators etc. As a practicing Lawyer Mr. Shyam Sunder Lal Gupta is looking after the matters of Financial Institutions, Banks, and Public Sector Corporations like National Cooperative Development Corporation, Hauz Khas, New Delhi., National Scheduled Castes & Scheduled Tribes Finance & Development

Chand Krishna Tikku

Mr. Chand Krishna Tikku born on 23rd April, 1930 is Former Chairman of Central Board of Direct Taxes, and is having a vast experience in the fields of Taxation, Accounting & Corporate Governance.

Ajay Kumar

Mr. Ajay Kumar born on 30th January, 1951 is 1976 batch, Retired Indian Administrative Services (IAS). Officer, he has vast and varied experience in Administration, Urban Development, Real Estate Development, Housing, Poverty, Public Health, Comparative Politics, and International Relations & Law. He held the offices of Principal Secretary, Rural Engineering Organization & Vice Chairman, Bihar Rural Roads Development agency; Principal Secretary, Science and Technology, Govt. of Bihar; Principal Secretary Building & Housing cum Chairman Bihar State Housing Board (BSHB); Secretary Urban Development & Housing Department, Govt. of Bihar. At present, he is working as a special reporter for national Human Rights Commission for central West Zone; Partner of ACTM, an independent and global management consulting firm; Consultant to Stratixy Advisors India Pvt Ltd.; Managing Director to kgd-Architecture an infrastructure & Design Services Company; Advisor, infrastructure and Logistic Federation of India.

Mr. Govind Prasad Agrawal

Mr. Govind Prasad Agrawal born on 9th September, 1954, is a Law graduate and Fellow member of 'The Institute of Company Secretaries of India'. He has got rich experience of over 32 years in the field of Finance, Law and Administration.

He is presently providing his valuable contribution to Almondz Global Securities Ltd., as a CFO of the Company and also serving to the Board of Avonmore Capital & Management Services Limited as a Non-Executive Director and Committees' member of the Company.

He also serves on the Board of Almondz Finanz Ltd., Almondz Insurance Brokers Pvt. Ltd., Rini Corporate Services Pvt. Ltd., Margo Finance Ltd., Rama Vision Ltd., YarnTex Exports Ltd, Almondz Global Infra-consultant Ltd, Anemone Holdings Pvt. Ltd., and Almondz Wealth Advisors Limited.

Ms. Ashu Gupta

Ms. Ashu Gupta born on 23 December, 1969, is a commerce graduate from Delhi University, Bachelor of Law (L.L.B.) from Delhi University and became Company Secretary from the Institute of Company Secretaries of India (ICSI) in 1995. She has immense knowledge and experience of over 19 years in almost every facet of corporate secretarial, Legal Advisory and consulting profession. She is well exposed in handling corporate legal matters and dealing with various regulatory authorities like Registrar of Companies (ROC), Regional Director (RD), Company Law Board (CLB), Ministry of Corporate Affairs, Securities & Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI) etc.

(c) Separate Meeting of Independent Directors

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreements and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement), 2015, a separate meeting of Independent Directors of the Company was held on May 28, 2016, inter alia, to discuss the following :

- To review the performance of non-independent directors and the Board as a whole;
- To review the performance of the Chairperson of the Company;
- To assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors have expressed their satisfaction over the performance of the other directors and the Board as whole. They have also expressed their satisfaction over the quality, quantity and flow of information between the Company management and the Board / Committees of the Board.

(d) Familiarization programme for independent directors

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company. Quarterly updates on relevant statutory changes are discussed in the Board meetings. The details of such familiarization Programme of the Company may be

accessed on the Company's website at www.avonmorecapital.in

(e) Board Level Performance Evaluation

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors ("IDs"), Committees of the Board and Board as a Whole.

The criteria for performance evaluation are as under :

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/ her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. Board members had submitted their response on a scale of 5 (excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non- Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

(f) Other Provisions as to Board and Committees

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

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

During the year 2015-2016 the Board of Directors met Six (6) times on the following dates : 29th May, 2015, 07th July, 2015, 14th August, 2015, 19th October, 2015, 09th November, 2015, and 13th February, 2016.

The gap between any two consecutive Board Meetings does not exceed one hundred and twenty days.

The Directors present in the meetings actively participated in the deliberations. Your Company ensures that the gap between two consecutive does not exceed one hundred and twenty days. The provisions of the Companies Act,

2013 and the requirements of the Listing Regulations are duly complied with.

(g) Board Procedure

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

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

All the key issues included in the agenda for consideration of the Board are backed by detailed background information to enable the Board to take informed decisions and the Managing Director ensures that all the Directors are properly briefed on the matters being discussed. Every Director is free to suggest inclusion of items on the agenda with the permission of the Chair. Board Meetings are scheduled well in advance, dates of the Board meetings are usually informed to all directors and auditors and other concerned officer/s two to three weeks in advance and agenda papers are circulated about seven days prior to the meeting and only in exceptional cases, some of items / related documents are tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. Senior management personnel are called to provide additional information / inputs for the items being discussed by the Board of Directors, as and when necessary.

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

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

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

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

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

(h) Board Support

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

(i) Code of Conduct

The Board of Directors has adopted Codes of Conduct, applicable to Directors and to employees of the Company. The said Codes of Conduct have been posted on the Company's website www.avonmorecapital.in. The Company has obtained declarations from all its Directors affirming their compliances with the applicable Codes of Conduct. The declaration by the Managing Director in compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31st March, 2016 is attached to this Corporate Governance Report.

Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- 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.

3. COMMITTEES OF THE BOARD

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

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholder Relationship Committee,
- Committee for Further Issue of Shares,
- Management Committee,
- Risk Management 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 which are broadly as under :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the

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.

13. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION

The terms of reference of the Committee are governed by a Charter, covering all applicable matters specified under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The members of the Committee are :

Name of Members	Designation	Category
Mr. Ajay Kumar	Chairman	Independent Director
Mr. Chand Krishna Tikku	Member	Independent Director
Mr. Shyam Sunder Lal Gupta	Member	Independent Director
Mr. Govind Prasad Agrawal	Member	Non Executive Director

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. Ajay Kumar, who is a non-executive and independent Director, having sufficient accounting and financial management expertise and is elected as the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Audit Committee meetings. During the financial Year under review, the Audit Committee meetings were held on 29th May 2015, 14th August 2015, 09th Nov 2015, and 13th February 2016. For the finalization of the Audited Annual Accounts of the Company, the meeting of the Audit Committee was held on 28th May 2016. The attendance of the individual Directors in the aforesaid meetings were as follows :

Name of Directors	No. of Committee Meetings held / attended during the F. Y. 2015-16
Mr. Govind Prasad Agrawal	4/4
Mr. Chand Krishna Tikku	4/4
Mr. Shyam Sunder Lal Gupta	4/4
Mr. Ajay Kumar	4/4

• **NOMINATION AND REMUNERATION COMMITTEE**

TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee of the Company cover the matters as specified in Section 178 of the Companies Act, 2013 which are broadly as under :

1. To identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
2. To carry out evaluation of every Director's performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
4. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

COMPOSITION

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

Name of Members	Category
Mr. Chand Krishna Tikku	Non Executive & Independent Director
Mr. Ajay Kumar	Non Executive & Independent Director
Mr. Shyam Sunder Lal Gupta	Non Executive & Independent Director
Mr. Govind Prasad Agrawal	Non Executive & Non Independent Director

During the year under review only 1 (one) meeting of Nomination and Remuneration Committee was held, i.e., on 14.08.2015. Mr. Ajay Kumar, Non Executive & Independent Director, has been nominated as the Chairman for the Committee meetings w.e.f. 28th May, 2014.

REMUNERATION OF DIRECTORS

The Company has not paid any remuneration to any of its Non-Executive Directors, except the Sitting Fees for attending meetings of the Board / Committee meetings. Managing Director is the only executive director in the company. The compensation of the Managing Director comprises a fixed component and a performance incentive. The Managing Director is not paid sitting fees for any board / committee meetings attended by him. Details of the remuneration of directors for the year ended 31 March, 2016 are as follows :

(a) Executive Director :

Name	Category	Salary & Perquisites (Rs.)
Mr. Ashok Kumar Gupta	Managing Director	16,61,100/-

(b) Non-Executive Directors :

Name	Category	Sitting Fees (Rs.) As on 31.03.2016
Mr. Govind Prasad Agrawal	Director	1,03,000/-
Mr. Chand Krishna Tikku	Director	88,000/-
Mr. Shyam Sunder Lal Gupta	Director	98,000/-
Mr. Ajay Kumar	Director	79,000/-
Ms. Ashu Gupta	Director	60,000/-

• STAKEHOLDERS RELATIONSHIP COMMITTEE

TERMS OF REFERENCE

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee in terms of the provisions of Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders of the Company.

COMPOSITION

The Stakeholders Relationship Committee is presently constituted of three Non-executive directors and Managing Director of the Company.

Sl. No.	Name	Category
1.	Mr. Shyam Sunder Lal Gupta	Non-Executive & Independent Director
2.	Mr. Chand Krishna Tikku	Non-Executive & Independent Director
3.	Mr. Govind Prasad Agrawal	Non-Executive & Non-Independent Director
4.	Mr. Ashok Kumar Gupta	Managing Director

During the year under review, 2 (Two) Stakeholders Relationship Committee (Formerly Share Transfers & Shareholders Grievance Committee) meetings were held on 27th April, 2015 and 11th January, 2016, which were attended by all the Members of the Committee. Mr. Govind Prasad Agrawal, Non-Executive Director, has been nominated as the Chairman of the Committee for all its meetings.

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

(a) Share Transfer :

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

(b) Shareholders' / Investors' Complaints :

- I. Non-receipt of Shares after Transfer / Transmission
- II. Non-receipt of Annual Report
- III. Other matters including change of address, etc.

The Secretarial Department of the Company and the Registrar and Share Transfer Agents Beetal Financial & 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. The Company Secretary is the Compliance Officer of the Company.

• COMMITTEE FOR FURTHER ISSUE OF SHARES

The Board of Directors of the Company has constituted a Committee for Further Issue of Shares. At present the Further Issue of Shares committee comprises of Mr. Shyam Sunder Lal Gupta, Mr. Chand Krishna Tikku, Mr. Govind Prasad Agrawal and Mr. Ashok Kumar Gupta. No meeting has been held during the year under review. Mr. Ashok Kumar Gupta Managing Director of the Company elected as the Chairman of the Committee for all its meetings.

Sl. No.	Name	Category
1.	Mr. Shyam Sunder Lal Gupta	Non-Executive & Independent Director
2.	Mr. Chand Krishna Tikku	Non-Executive & Independent Director
3.	Mr. Govind Prasad Agrawal	Non-Executive & Non-Independent Director
4.	Mr. Ashok Kumar Gupta	Managing Director

• MANAGEMENT COMMITTEE

The Board of Directors of the Company has 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. Shyam Sunder Lal Gupta, Mr. Ashok Kumar Gupta and Mr. Govind Prasad Agrawal. Mr. Ashok Kumar Gupta is the Chairman of the committee.

The Company Secretary is Secretary of all the Committee meetings. During the year under report, 3 (Three) meetings of the management Committee of the Company was held, i.e., on 24.06.2015, 13.07.2015, and 29.09.2015.

• RISK MANAGEMENT COMMITTEE

In compliance with the provision of Section 134 (3) (n) of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015, and earlier revised Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has

constituted a Risk Management Committee on March 30, 2015 to oversee risk management function performed by the management, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks.

The Risk Management Committee consists of Mr. Ashok Kumar Gupta (Managing Director & Chairman), Mr. Govind Prasad Agrawal (Non-Executive Director).

During the year under report Ms. Shruti Aggarwal (Chief Financial Officer) ceased to be the member of the Risk Management Committee.

The broad terms of reference of committee are as under :

- i. To monitor and review the risk management framework of the Company;

- ii. To oversee risk management process, systems and measures implemented to mitigate the same; and

- iii. Any other matter as may be mandated/referred by the Authority / Board.

4. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

5. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings :

Financial Year Ended	AGM	Location	Date	Time
31.03.2015	23rd	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054	29th September 2015	2.30 P. M.
31.03.2014	22nd	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054	29th September 2014	12.30 P. M.
31.03.2013	21st	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054	23rd September 2013	2.00 P. M.

The Details of Special Resolution(s) passed at the last 3 (three) Annual General Meetings are as follows :

Annual General Meeting	Particulars of Special Resolutions Passed
23rd Annual General Meeting	No Special Resolution was passed
22nd Annual General Meeting	Authorization for related party transactions pursuant to section 188(1) of the Companies Act 2013
21st Annual General Meeting	No Special Resolution was passed

POSTAL BALLOT

During the year under report, the Company sought shareholders approval through Postal ballot process pursuant to Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 on the following occasions :

(A) The Company sought approval of the members on 12th August 2015 to the following businesses as set out in notice dated 7 July 2015 :

- 1) Approval for disinvestment in Express Infra Financial Consultancy Private Limited (referred to as "Resolution No. 1 in the following table);
- 2) Approval for borrowing in excess of paid up capital and its free reserves (referred to as "Resolution No. 2 in the following table);

- 3) Approval for creation of charge on the movable and immovable properties of the Company (referred to as "Resolution No. 3 in the following table);
- 4) Approval for giving Loans/guarantee or providing securities and/or making investments exceeding the limits (referred to as "Resolution No. 4 in the following table);
- 5) Approval for entering into various related party transactions by the Company (referred to as "Resolution No. 5 in the following table);

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

S.No.	Particulars		Resolution No. 1		Resolution No. 2		Resolution No. 3		Resolution No. 4		Resolution No. 5	
			Special Resolution		Special Resolution		Special Resolution		Special Resolution		Special Resolution	
			No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares
A	Postal Ballot Forms received	E-voting	17	20027531	17	20027531	17	20027531	17	20027531	14	11333280
		Physical	07	356182	07	356182	07	356182	07	356182	05	293127
B	Less : Invalid Postal Ballot Forms		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C	Net Valid Postal Ballot Forms of which :		24	20383713	24	20383713	24	20383713	24	20383713	19	11626407
(i)	Total No. of shares with Assent for the resolution		24	20383713	24	20383713	24	20383713	24	20383713	19	11626407
(ii)	Total No. of shares with Dissent for the resolution		0	0(0%)	0	0(0%)	0	0(0%)	0	0(0%)	0	0(0%)

All the aforesaid five resolutions were passed with the overwhelming requisite majority.

M/s C. B. Mishra & Associates, Practicing Company Secretary was appointed as scrutinizer for conducting the Postal ballot exercise.

As per the requirement under the provisions of Section 108,110 and other applicable provisions, if any, of the Act, your Company had also provided e-voting facility to the members of the Company through Central Depository Services (India) Limited (CDSL) which enabled members to cast their votes electronically.

6. MEANS OF COMMUNICATION

The quarterly and annual results of the Company are published in leading newspapers in India, viz. Business Standard (English & Hindi), the results are also displayed on the Company's website "www.avonmorecapital.in". The Company also regularly provides relevant information to the stock exchanges as per the requirements of the listing agreements. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

Further, your Company is already maintaining a functional website containing various disclosures/information about the Company for the public at large including basic information as mandated under newly inserted Regulation 46 of the Listing Agreement, and regularly updating the information available thereon.

As per the requirement of the Regulation 47 of the Listing Regulation, the Financial Results are published in leading national newspapers as detailed hereinbelow :

Quarter/ Financial Year ended	Unaudited/ Audited	Name of the Newspaper (version)	Dated of Publication
June 2015 (Qtrly.)	Unaudited	Business Standard (English) & (Hindi)	15 August 2015
September 2015 (Qtrly.)	Unaudited	Business Standard (English) & Hindi)	10 November 2015
December 2015 (Qtrly.)	Unaudited	Business Standard (English) & Hindi)	English 14 February 2016
			Hindi 15 February 2016
March 2016 (Annual)	Audited	Business Standard (English) & Hindi)	30 May 2015

The Company has also designated “complianceacms@almondz.com” as an email id for the purpose of registering complaints by investors and displayed the same on the Company’s website.

COMPLIANCE OFFICER

The Board had designated Mr. Sagar Gupta, Company Secretary as the Compliance Officer of the Company.

Address :

F-33/3, Okhla Industrial Area, Phase-II, New Delhi - 110 020

e-mail : complianceacms@almondz.com

Phone : 011-26385056

Fax : 011- 43500787

7. GENERAL SHAREHOLDERS’ INFORMATION

i) Annual General Meeting :

Date : 29 September, 2016

Time : 1.30 P. M.

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

ii) Financial Calendar :

Approval of Unaudited Quarterly Results for the period ended :

- June 30, 2015 – August 14, 2015
- September 30, 2015 – November 09, 2015
- December 31, 2015 – February 13, 2016

Approval of Audited Financial Results for Financial Year ended :

- March 31, 2016 – May 28, 2016

iii) Book Closure Dates :

23 September, 2016 – 29 September, 2016 for the 24th Annual General Meeting (both days inclusive).

iv) Listing on Stock Exchanges :

(a) Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

(b) Delhi Stock Exchange, DSE House,
3/1, Asaf Ali Road, Delhi-110002.

v) Scrip Codes / Symbol :

Scrip ID at Bombay Stock Exchange Limited : AVONMORE

Scrip Code Bombay Stock Exchange Limited : 511589

Listing Fees as applicable has been paid.

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

INE323B01016 as allotted by NSDL & CDSL

vii) Depositories Connectivity :

i) National Securities Depository Limited (NSDL)

ii) Central Depository Service (India) Limited (CDSL)

viii) Corporate Identification Number :

L67190DL1991PLC045857

ix) Market Price Data :

High, Low and number and volume of trades of Company’s equity shares vis-a-vis Sensex during each month in the financial year 2015-16 at the Bombay Stock Exchange Limited :

Bombay Stock Exchange Ltd. (BSE)

Month & Year	Month’s High Price	Month’s Low Price	Volume of Trades
April-15	21.72	10.04	71,267
May-15	20.60	13.00	26,366
June-15	16.50	11.55	1,43,799
July-15	31.00	15.00	5,04,768
August-15	38.00	23.00	4,39,256
September-15	33.80	22.65	85,507
October-15	28.70	16.05	25,951
November-15	17.45	13.40	9,824
December-15	15.95	10.80	62,350
January-16	13.00	9.93	69,575
February-16	11.24	8.11	3,65,563
March-16	12.57	8.02	5,35,243

* Face Value of Equity Shares of the Company is Rs. 10/- each

Source : www.bseindia.com

x) Reconciliation of Share Capital Audit Report :

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

The audit report inter alia covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. Details of changes, if any, in the share capital of the Company during the quarter, are also covered in the report. The Reconciliation of Share Capital Audit Report is submitted with BSE and DSE and is also placed at the meetings of the Board of Directors.

Status of Dematerialization of Shares as on 31 March 2016

Particulars	No. of Shares	% of Total capital
Dematerialized *	24020490	93.65
Physical	250410	0.98
Total	24270900	100.00

* Reason of Difference is due to 1379380 forfeited equity shares.

xi) Registrars & Transfer Agents (RTA) :

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
 Phone Number : 91 11 2996 1281/82
 Fax Number : 91 11 2996 1280/84
 E-mail : beetalrta@gmail.com,
 Website: www.beetalfinancial.com

xii) Investors Correspondence / Query

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

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

For any query on Annual Report :

Secretarial Department

Avonmore Capital & Management Services Limited
 F-33/3, Okhla Industrial Area, Phase-II,
 New Delhi-110020

xiii) Share Transfer System :

All matters connected with the share transfer both physical and electronic, dividends and other matters are handled by the Registrar & Transfer Agents located at the address mentioned elsewhere in this report. Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for

xv) Evolution of Capital :

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

dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from shareholders and other miscellaneous correspondence on change of address, etc., are processed by the Registrar & Transfer Agents. Pursuant to Listing Regulations, certificates, on half-yearly basis, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company, as required under Listing Regulation, has designated the following e-mail IDs, namely complianceacms@almondz.com for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances. Shareholders are, therefore, requested to correspond with the Registrar & Transfer Agents for transfer / transmission of shares, change of address and queries pertaining to their shareholding, at their address given in this report.

xiv) Consolidation of Folios :

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

xv) Evolution of Capital (Contd.):

Date of Allotment	No. of Shares	Reasons for Allotment	Cumulative No. of Shares	Cumulative Listed / Traded Capital
10.05.2010	1755000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	13150280	11770900
20.11.2010	2000000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	15150280	13770900
31.03.2014	7500000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	22650280	21270900
05.09.2014	3000000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	25650280	24270900

Notes :

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

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

xvi) Distribution of Shareholding as on 31st March, 2016 :

Shareholding of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up To 5,000	2,800	97.15	7,07,681	2.92
5,001 To 10,000	17	0.59	1,31,664	0.54
10,001 To 20,000	17	0.59	2,52,402	1.04
20,001 To 30,000	12	0.42	3,08,618	1.27
30,001 To 40,000	6	0.21	2,11,752	0.87
40,001 To 50,000	3	0.10	1,37,378	0.57
50,001 To 1,00,000	7	0.24	57,8,327	2.38
1,00,001 and above	20	0.69	2,19,43,078	90.41
TOTAL	2,882	100.00	2,42,70,900	100.00

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

Opening Balance	Received	Resolved	Closing Balance
Nil	01	01	NIL

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

xviii) Green Initiative in Corporate Governance :

Section 136 of the Act and the Rules framed there under allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the

Depositories. A physical copy of the Annual Report will be sent to those Members who have not registered their email addresses with the Depositories for receiving electronic communication. A physical copy of this Annual Report can also be obtained free of cost by any member from the Registered Office of the Company.

A copy of this Annual Report along with its subsidiary is also available on the website of the Company at www.avonmorecapital.in.

8. OTHER DISCLOSURES

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

All material transactions entered into with related parties as defined under the Act and Listing Regulations during the financial year were at arm's length and have been approved by the audit committee. The Company has obtained the shareholders approval along with annual limits for the related Party Transactions. The board has approved a policy for related party

transactions which has been uploaded on the Company's website at the following link www.avonmorecapital.in

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

Transactions with related parties as per requirements of Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in the Accounts in the Annual Report.

B. Details of non-compliance by the Company, penalties and structures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

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

C. Whistle Blower Policy

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Accordingly, a whistle Blower Policy ("Policy") has been formulated where the employees can voice their genuine concerns about any unethical or unacceptable business practice or any event of misconduct. It provides a mechanism for the employees of the Company to approach the chairman of the Audit Committee. The Company ensures that genuine whistle blowers are accorded complete protection from any kind of unfair treatment. The Policy is posted on the website of the Company www.avonmorecapital.in

D. Details of Compliance with mandatory items of Corporate Governance

* The Company has complied with all the mandatory Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') for the period from April 1, 2015 to November 30, 2015; and as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period from December 1, 2015 to March 31, 2016.

* The Company has also ensured the implementation of non mandatory item as such :

- Separate post of Chairman and Managing Director and reimbursement of expenses in the performance of duties.

- Unmodified audit opinion / report.
- The Internal Auditor directly reports to the Audit Committee.

E. Disclosure of Accounting Treatment

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in the preparation of the financial statements of your Company. The significant accounting policies which are constantly applied are set out in the Annexure to notes to the Accounts.

F. Subsidiary Companies

The Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies. The minutes of the Board Meeting as well as statements of all significant transactions of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

During the Financial Year ended March 31, 2016, the Company had Ten subsidiaries namely Almondz Infosystem Private Limited, Latitude 23 Communications Limited, Red Solutions Private Limited, Almondz Global Securities Limited, Avonmore Developers Private Limited, Glow Apparels Private Limited, Apricot Infosoft Private Limited, Almondz Insurance Brokers Private Limited, Anemone Holdings Private Limited, Shivsathi Niketan Limited.

During the period under report :

- * Express Infra Financial Consultancy Private Limited ceased to be the subsidiary of the Company w.e.f. August 16, 2015 on account of sale of entire share capital of the Company.
- * Almondz Reinsurance Brokers Private Limited (ARBPL) which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL vide order dated December 22, 2015 of Honorable High Court of Delhi.

During the year under review, Almondz Global Securities Limited and Red Solutions Private Limited has also become the subsidiaries of the Company on account of acquisition of Equity Shares in the respective companies.

INSIDER TRADING

Code of Conduct for Prevention of Insider Trading

The Company has adopted a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, for prevention of insider trading in shares of the Company. The Code of Conduct is implemented diligently mandating initial and continual disclosures. The transactions of the insiders in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code. The Code has been disseminated through the Company's intranet for easy access to the employees and is updated from time to time.

COMPLIANCE

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

9. COMPLIANCE CERTIFICATE OF THE AUDITORS

During the financial year ended March 31, 2016 your Company has complied with the conditions of corporate governance as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

Further, Certificate from Statutory Auditors of the Company, confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report.

10. MANAGING DIRECTOR AND CFO CERTIFICATION

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Certificate with respect to

the prescribed matter is annexed with the Directors' Report and has been signed by Mr. Ashok Kumar Gupta, Managing Director and Ms. Shruti Aggarwal, Chief Financial Officer of the Company.

Declaration

As provided under Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 all Board members and Senior Management Personnel have affirmed compliance with Avonmore Capital & Management Services Limited code of Business conduct and Ethics for the year ended on 31st March, 2016.

For and on behalf of the Board of Directors

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

New Delhi
12th August, 2016

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

To the shareholders of

M/s. AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

We have examined the compliance of conditions of corporate governance by Avonmore Capital & Management Services Limited ('the Company') for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') for the period from April 1, 2015 to November 30, 2015; and as per relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of Listing Regulations for the period from December 1, 2015 to March 31, 2016. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **H. K. Chhabra & Co.**,
Chartered Accountants
Firm Registration No. 010917N

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

Place : New Delhi
Dated : 28th May, 2016

CERTIFICATION BY MANAGING DIRECTOR & CHIEF FINANCE OFFICER TO THE BOARD

To,
The Board of Directors
Avonmore Capital & Management Services Limited

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief :
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) these statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for the company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board of Directors. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. We indicate to the Auditors and to the Audit Committee :
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year;
5. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the Listing Agreement and the applicable provisions of SEBI (LODR) Regulations, 2015 for the current year.

For Avonmore Capital & Management Services Limited

New Delhi
28th May 2016

Ashok Kumar Gupta
Managing Director

Shruti Aggarwal
Chief Executive Officer

Declaration by Managing Director under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its Board members and the Senior Management and the same is available on the Company's Website. I confirm that the Company has in respect of financial year ended March 31, 2016 received from the senior management team of the Company and the members of the Board, declaration of compliance with the Code of Conduct as applicable to them.

For Avonmore Capital & Management Services Limited

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Date : 12 August, 2016
Place : New Delhi

Management Discussion & Analysis Report

ECONOMIC SCENARIO

The Indian economy rebounded from the global economic slow down. Gaining momentum, Indian economy grew by 7.9 per cent in March quarter to consolidate India's position as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the full fiscal on robust manufacturing growth. Enthused by the impressive numbers for 2015-16, as against 7.2 per cent in previous fiscal, the government said the growth rate can go up to 8 per cent in the current fiscal on the back of good monsoon. The Economic Survey 2015-16 which was tabled by Finance Minister Shri Arun Jaitley stated that per capita income of the country jumped 7.3 per cent to Rs. 93,231 in 2015-16 from Rs. 86,879 in 2014-15. The figures were at Rs. 71,050 and Rs. 79,412 in 2012-13 and 2013-14, respectively.

MACRO-ECONOMIC ENVIRONMENT

FY2016 witnessed volatile external environment with renewed risks of weaker global activity. However, India macro fundamentals continued to fare well as against its emerging market peers; and with regard its own medium-term potential, steady progress is being made. Further, inflation appears to have been contained with current account deficit within comfortable limits. The attempts have been made to contain fiscal deficit with an improvement in spending quality by shifting expenditures away from current to capital expenditures. Policy reforms have continued at gradual pace, while the Reserve Bank of India has been able to turn more accommodative during the year.

INDUSTRY STRUCTURE AND DEVELOPMENT

The business of the Company is that of a Non Banking Finance Company (NBFC).

Non-Banking Financial Companies (NBFC) have rapidly emerged as an important segment of the Indian financial system. Moreover, NBFCs assume significance in the small business segment as they primarily cater to the credit requirements of the unorganized sector such as wholesale & retail traders, small-scale industries and small borrowers at the local level. NBFC is a heterogeneous group of financial institutions, performing a wide range of activities like hire-purchase finance, vehicle financing, equipment lease finance, personal loans, working capital loans, consumer loans, housing loans, loans against shares and investment, etc.

The non-banking finance companies continued to perform better than the banks with the balance sheet expanding by 15.5%. "The financial performance of NBFC sector has remained unchanged for the last two years. Net profit as a percentage of total income remained at 15.3% between March 2015 and March 2016 and ROA stood at 22% during the same period," NBFC sector is growing at the cost of banks that are saddled by bad loans and poor profitability. Banks ability to lend is constrained due to Basel III capital requirements. Many niche NBFCs have come up over the years lending to segments like gold, housing, infrastructure and retail.

The aggregated balance sheet of the NBFC sector expanded by 15.5% on a year-on-year basis in March 2016. Loans and advances for the period rose 16.6% while total borrowings were up 15.3% in March 2016. This is when bank credit grew by less than 10%.

On the asset quality front, NBFC sector performed better than banks with the gross non-performing assets of NBFCs as a percentage of total advances declining to 4.6% in March 2016 from 5.1% in March 2015. Net non-performing loans as a percentage of total advances declined to 2.5% from 2.9% during the same period.

This is despite NBFCs moving to 150+ day NPA recognition norm during the last fiscal. The government in the Union Budget has allowed NBFCs with asset size of above Rs 500 Crore would be permitted to access the provisions of SARFAESI Act. This would further improve NBFCs' ability to make recoveries.

The Reserve Bank of India has prescribed stringent norms on capital adequacy and NPA in order to bridge the regulatory gaps between NBFCs and Banks, asking NBFCs to maintain minimum capital of Tier I and Tier II of not less than 15% of their risk weighted assets.

BUSINESS OPERATIONS

During the year under review, the Company has generated its income of Rs. 142.34 Lakh from Dividend Investment & Trading of Securities as compared to Rs. 460.10 Lakh in the previous years.

OPPORTUNITIES AND THREATS

Opportunities

- Being part of the India's growth story.
- Digitalization in the economy.
- Financial inclusion.

Threats

- Volatile external and global environment.
- Competition from the newer models of NBFCs.
- Handling post integration challenges.
- Attracting and retaining talent and training them for the right culture.

The Company is exposed to all risks & threats, which Financial Market & a Non Banking Finance Company faces. Unfavorable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial services providers, unstable political environment and changes in Government policy / regulatory framework could impact the Company's operations. The company is also facing risk of heavy ups and downs in stock market which can be minimized due to risk management system of our company.

OUTLOOK, RISK AND CONCERNS

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2015-16.

Your Company being an investment Company also seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. The likely increase in capital mobilisation from the primary market, increase in resource mobilisation by mutual funds and phenomenal growth in secondary market volumes provide significant business opportunities for the Company.

Risk Management is an integral part of the Company's business strategy. In Today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. As an NBFC, your Company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, diversification into other business operations, retention of talented personnel, managing effective growth rate, volatility in interest rate, NPAs in portfolio, changes in compliance norms and regulations, contingent liabilities and other legal proceedings.

At ACMS, risk management is integrated seamlessly into business strategy. The objective of ACMS's risk management process is to insulate the Company from risks associated with the business, while simultaneously creating an environment conducive for its growth. The process entails a comprehensive estimation, control and review of risks to protect organizational value. Further, a separate board level risk management committee is in place at your company which regularly reviews the functioning of the risk management systems and processes.

Decision-making is based on the Company's objectives and risk tolerance limits. Many of the critical decision levels for investments, major lending and policy initiatives are institutionalized through appropriate committees, consisting of senior officials. Strategies, policies and limits are designed to ensure that risks are prudently diversified. Risk mitigating activities are reviewed periodically by senior management.

Compliance

An independent and comprehensive compliance structure addresses the Company's compliance and reputation risks. All key subsidiaries of the Company have an independent compliance function. The Compliance officials across the Group interact on various issues including the best practices followed by the respective companies.

The compliance framework, approved by the Board, broadly sets out the compliance risk management processes and tools to be used by businesses, management and compliance officers for managing its compliance risks. Apart from the Company's compliance framework, the Company and all the subsidiaries have their own compliance manuals. To meet with the changes in the regulatory environment, the Compliance will be rolling out shortly a new framework, which helps in obtaining confirmation from each of the business about its adherence to the various regulatory requirements. This framework would assist the management in determining the compliance risk of the Company. The compliance function is responsible for all aspects of regulatory compliance across the Company.

The Compliance team supports top management and manages and supervises the compliance framework alongwith providing compliance assistance to various businesses / support functions. The Compliance division works with business units to develop procedures to implement the requirements of the various regulations and policies. It also works closely with other support functions including the legal department and outside counsels. The Company uses the knowledge management system for monitoring new and changes in existing regulations. The Company also looks at regulatory websites and participates in industry working groups that discuss evolving regulatory requirements. Training on compliance matters is imparted to employees on an ongoing basis. The Compliance department

keeps the management / Board informed about important compliance related matters through monthly, quarterly and annual compliance reviews.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal control in all spheres of its activities which is commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/ accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has adequate systems and procedures to provide assurance of recording transactions in all material respects.

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of operations. The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically. Moreover, ACMS continuously upgrades these systems in line with the best available practices.

The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate.

Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

The established Internal Control Systems of your company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly.

HUMAN RESOURCE

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

People remain the most valuable asset of your Company. Your Company is professionally managed with senior management personnel having rich experience and long tenure with the Company. Your Company follows a policy of building strong teams of talented professionals. Your Company encourages, appreciates and facilitates long term careers. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent.

RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors has reviewed the Management Discussion and Analysis Report prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

INDEPENDENT AUDITORS' REPORT

To the Members of
Avonmore Capital & Management Services Limited

Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Avonmore Capital & Management Services Limited** ("the company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibilities also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the standalone financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure - A' a statement on the matters specified in the paragraph 3 and 4 of the Order.
- As required by section 143 (3) of the Act, we report that :
 - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - the Balance Sheet, the Cash Flow Statement and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
 - on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - With respect to the other matters to be included in Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us :
 - There are no pending litigations affecting financial position hence no disclosure is required to be made.
 - There are no long term contracts including derivatives contracts hence no provision is required to be made.
 - The clause is not applicable as there is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

H. K. CHHABRA

Place : New Delhi
Date : 28th May, 2016 (FCA – Membership No. 089616) Proprietor

Annexure – A to the Independent Auditors’ Report

The Annexure referred to an Independent Auditors’ Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2016, we report that :

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in accordance with a regular program, which, in our opinion, is reasonable having regards to the size of the Company and the nature

(iii) The Company has granted loans to four bodies corporate (details of which given here-in-under) which are covered in the registered maintained under section 189 of the Companies Act, 2013 :

(Amount in Rs.)

S.No.	Name of Parties	Opening Balance	Loan Given During the year	Maximum Amount Outstanding	Closing Balance as on 31/03/2016
1	Red Solutions Private Limited	20,00,000	9,18,00,000	9,05,00,000	8,59,00,000
2	Glow Apparels Private Limited	—	63,00,000	63,00,000	63,00,000
3	Almondz Infosystem Private Limited	—	1,10,00,000	1,10,00,000	—
4	Express Infra Financial Consultancy Private Limited	—	45,00,000	45,00,000	—

- (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the Company.
- (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information given to us, the Company has not accepted any deposits from the public.
- (vi) The provisions of Section 148(1) of the Companies Act, 2013 regarding maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, in respect of statutory dues :
The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of

of its assets. No material discrepancies were noticed on such verification with respect records of books.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has conducted verification of stock-in-trade comprising shares, bonds and other securities at reasonable intervals. As informed to us by management no material discrepancies were noted on such verification.

Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (viii) According to information and explanations given to us, the Company has not defaulted in repayment of dues to bank and financial institutions.
- (ix) The clause is not applicable, since the company has not raised any money by way of initial public offer or further public offer or by way of term loan during the year.
- (x) Based on the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officer or employee has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) This clause is not applicable, since Company is not a Nidhi Company.

(xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) This clause is not applicable, since company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to information and explanations given to us, company has not entered into any non-cash transactions with directors or persons connected with him.

For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

Place : New Delhi
Date : 28th May, 2016

H. K. CHHABRA
Proprietor
(FCA – Membership No. 089616)

Annexure – B to the Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Avonmore Capital & Management Services Limited** ('the Company') as at 31 March 2016 in conjunction with our audit of financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

Place : New Delhi
Date : 28th May, 2016

H. K. CHHABRA
Proprietor
(FCA – Membership No. 089616)

Balance Sheet as at 31 March, 2016

(Amounts in Indian Rupees)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
I Equity & Liabilities			
(1) Shareholders' funds			
(a) Share capital	2.1	24,92,17,131	24,92,17,131
(b) Reserves and surplus	2.2	45,96,15,485	44,53,81,569
		70,88,32,616	69,45,98,700
(2) Non-current liabilities			
(a) Long-term provisions	2.3	5,16,965	2,11,740
		5,16,965	2,11,740
(3) Current liabilities,			
(a) Short-term borrowings	2.4	1,38,00,000	—
(b) Trade payable	2.5	40,432	8,88,633
(c) Other current liabilities	2.6	30,24,133	16,03,289
(d) Short-term provisions	2.7	96,985	5,26,726
		1,69,61,550	30,18,648
TOTAL		72,63,11,131	69,78,29,088
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
i) Tangible assets	2.8	18,398	28,223
(b) Non-current investments	2.9	60,98,69,377	65,88,58,540
		60,98,87,775	65,88,86,763
(2) Current assets			
(a) Inventories	2.10	52,53,701	36,58,062
(b) Trade receivables	2.11	3,288	32,780
(c) Cash and cash equivalents	2.12	34,57,147	3,38,872
(d) Short-term loans and advances	2.13	10,13,82,689	3,07,52,566
(e) Other current assets	2.14	63,26,531	41,60,045
		11,64,23,356	3,89,42,325
TOTAL		72,63,11,131	69,78,29,088

Significant accounting policies 1

Notes to financial statements 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For H. K. CHHABRA & Co.,
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

Statement of Profit & Loss for the year ended 31 March, 2016

(Amounts in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
I Revenue from operations	2.15	1,79,50,736	4,60,09,950
II Other income	2.16	10,49,461	90,974
III Total revenue		1,90,00,197	4,61,00,924
IV Expenses			
Employee benefits expenses	2.17	26,60,743	24,55,210
Finance cost	2.18	18,59,525	28,45,801
Depreciation and Amortisation expenses	2.19	9,825	9,194
Other expenses	2.20	23,97,317	48,53,630
Total expenses		69,27,410	1,01,63,835
V Profit/(loss) before tax expenses and exceptional items		1,20,72,787	3,59,37,089
VI Exceptional items			
Add: Profit on Sale of Investment		30,00,000	—
Less: Cash loss from theft		2,007	—
Less: Prior Period (Income)/ Expense		323	4,138
VII Profit/(Loss) before tax		1,50,70,457	3,59,32,951
VIII Tax expense			
Current tax / MAT		9,27,000	16,88,883
MAT credit availed		(1,66,000)	—
Current tax for previous year		75,541	3,778
IX Profit for the Year		1,42,33,916	3,42,40,290
X Earnings Per Equity Share	2.21		
Basic		0.55	1.46
Diluted		0.55	1.46

Significant accounting policies

1

Notes to financial statements

2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

Cash Flow Statement for the year ended 31 March, 2016

(Amounts in Indian Rupees)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A. Cash Flow from operating activities		
Net Profit before tax & extra-ordinary items	1,20,72,787	3,59,37,090
Adjusted for :		
Depreciation	9,825	9,194
Provision for retirement benefit	92,390	1,59,366
Bad debts written off	—	61,800
Profit on sale of investment	30,00,000	(1,075,869)
Interest received	(69,37,544)	(33,68,220)
Interest expense	18,59,525	28,45,801
Dividend income	(1,30,14,955)	(2,71,79,842)
Provision for bad debts written back	—	(61,800)
Provision for diminution in value of investments	(10,38,000)	—
Provision for standard assets	2,18,387	12,572
Operating Profit before working capital changes	(37,37,585)	73,40,092
Adjusted for net changes in working capital		
(Increase)/Decrease in stock in trade	(15,95,639)	29,58,739
(Increase)/Decrease in trade receivables	29,492	(32,780)
(Increase)/Decrease in other receivables	(7,30,14,996)	2,94,44,998
Increase/(Decrease) in current liabilities and provisions	3,55,737	11,58,453
Cash flow before extra ordinary items and tax	(7,79,62,991)	4,08,69,502
Extra Ordinary and Prior Period Items	(2,330)	(4,138)
Taxes Paid	(8,36,541)	(16,92,662)
Net cash generated from/(used in) operating activities (A)	(7,88,01,862)	3,91,72,702
B. Cash Flow from investing activities		
Purchase of fixed assets	—	(17,490)
Purchase of investments	(1,94,72,837)	(17,37,16,409)
Dividend received	1,30,14,955	2,71,79,842
Interest received	69,37,544	33,68,220
Sale of investments	15,95,00,000	4,60,75,869
Net cash from/(used in) investing activities (B)	6,99,79,662	(9,71,09,968)
C. Cash flow from financing activities		
Proceeds from issue of capital (including premium)	—	7,50,00,000
Proceeds from unsecured short term borrowings (net)	1,38,00,000	(1,54,81,255)
Interest Paid	(18,59,525)	(28,45,801)
Net cash generated from financing activities (C)	1,19,40,475	5,66,72,944
Cash and cash equivalents (Opening Balance)	3,38,872	16,03,194
Net cash inflows for the year (A+B+C)	31,18,275	(12,64,322)
Cash and cash equivalents (Closing Balance)	34,57,147	3,38,872
Notes		
1 The cash flow statement has been prepared as per the "Indirect method" in accordance with the Accounting Standard (AS) -3 on 'Cash Flow Statement', of the Companies (Accounting Standards) Rules, 2006.		
2 Cash and Cash equivalents include :		
Cash in hand	8,09,178	1,58,442
Balances with scheduled banks - on current account	26,47,969	1,80,430
Cash and cash equivalents (closing balance)	34,57,147	3,38,872
Cash and bank balances at the end of the year	34,57,147	3,38,872

As per our report of even date attached
For **H. K. CHHABRA & Co.,**
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

1.0 Significant Accounting Policy

1.1 Background

Avonmore Capital & Management Services Limited (ACMS or the Company) is a company, incorporated in the year 1991. The Company is presently listed on the Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE). The Company got registered as Non-Banking Finance Company (NBFC) with RBI dated 07-10-2008. The Company is in the business of non banking financial services.

1.2 Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), to comply with the accounting standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy either to in use., and NBFC (Non-deposit accepting or holding) companies prudential norms (Reserve Bank) Directions, 2007, as adopted consistently by the Company.

1.3 Use of estimates

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

1.4 Current / Non-current classification

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

i) Assets

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

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

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

ii) Liabilities

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

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

1.5 Revenue Recognition

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

1.6 Revenue from services

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

1.7 Dividends

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

1.8 Interest

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

1.9 Expenditure

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

1.10 Retirement and other Employees Benefits

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

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

1.11 Fixed Assets

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

- i) Depreciation on tangible assets
 - (a) Leasehold improvements are depreciated over the lease period as stated in the lease agreement or over the estimated useful life of the assets, whichever is shorter.
 - (b) In respect of tangible assets acquired during the year, depreciation is charged on Straight Line Basis so as to write off cost of assets over useful lives and for assets acquired prior to April 1, 2014, the carrying amount as on 1st April 2014 is depreciated over remaining useful life. The useful life of assets is taken as prescribed in Schedule II to the Companies Act, 2013.
- ii) Intangible assets and its amortisation
 - (a) Intangible assets are recorded at cost and are amortised over the period the Company expects to derive economic benefits from their use.

1.12 Impairment

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

1.13 Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to

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

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

- i) The Cost is arrived at FIFO method and is inclusive of brokerage, transfer expenses and demat charges, if any. The fair value is arrived at with reference to the market value, if available, quotation in any stock exchange or any other available information to indicate a transaction between unrelated willing buyer and willing seller at arms length price.
- ii) In case of unquoted investments, the fair value is arrived on the basis of breakup value as per latest available audited balance sheet of the investee company.

Interest accrued and / or broken period interest paid on unsold securities is recognized as "Interest Accrued on Investment" under Other Current Assets.

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

1.15 Taxation

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

1.16 Provisions and Contingent Liability

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

1.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

1.18 Operating leases taken

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

1.19 Segmental reporting

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

1.20 Cash and Cash Equivalents

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

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Notes to financial statements

(Amounts in Indian Rupees)

2.1 Share capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Equity shares of Rs. 10/- each	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Issued and subscribed Equity shares of Rs. 10/- each (13,79,380 shares forfeited)	2,56,50,280	25,65,02,800	2,56,50,280	25,65,02,800
	2,56,50,280	25,65,02,800	2,56,50,280	25,65,02,800
Paid Up Capital Equity shares of Rs. 10/- each, fully paid up Add : 13,79,380 shares forfeited	2,42,70,900 13,79,380	24,27,09,000 65,08,131	2,42,70,900 13,79,380	24,27,09,000 65,08,131
	2,56,50,280	24,92,17,131	2,56,50,280	24,92,17,131

2.1 (a) Details of shareholders holding more than 5% shares of the Company

Name of the Shareholders	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Innovative Money Matters Private Limited	85,89,251	35.39	85,89,251	35.39
Veena Gases & Chemicals Private Limited	15,24,058	6.28	15,24,058	6.28
Dinkar Commercials Private Limited	15,00,000	6.18	15,00,000	6.18
Amarendra Financial Private Limited	15,00,000	6.18	15,00,000	6.18
	1,31,13,309	54.03	1,31,13,309	54.03

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below :

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	2,42,70,900	24,27,09,000	2,12,70,900	21,27,09,000
Add : Shares Forfeited	13,79,380	65,08,131	13,79,380	65,08,131
Add : Issued during the year	—	—	30,00,000	3,00,00,000
At the end of the year	2,56,50,280	24,92,17,131	2,56,50,280	24,92,17,131

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.2 Reserves and surplus

Particulars	As at 31 March 2016	As at 31 March 2015
Share Premium		
At the beginning of the year	25,64,17,900	21,14,17,900
Add : Addition during the year	—	4,50,00,000
At the end of the year	25,64,17,900	25,64,17,900
Capital Reserve	7,44,48,968	7,44,48,968
Special reserve		
At the beginning of the year	1,66,59,161	98,11,103
Add : Addition during the year	28,46,783	68,48,058
At the end of the year	1,95,05,944	1,66,59,161
(Deficit)/surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	9,78,55,540	7,04,70,460
Less : Depreciation related to previous year	—	7,152
Add / (less) : Profit / (loss) for the year	1,42,33,916	3,42,40,290
Less : Appropriations		
Special reserve (U/s 45-IC, RBI act, 1934)	28,46,783	68,48,058
Surplus carried from statement of profit and loss	10,92,42,673	9,78,55,540
	45,96,15,485	44,53,81,569

2.3 Long-term provisions

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits		
— Gratuity	1,11,491	34,784
— Compensated absences	1,40,551	1,30,420
Contingent provision on standard Assets	2,64,923	46,536
	5,16,965	2,11,740

2.4 Short-term borrowings

Particulars	As at 31 March 2016	As at 31 March 2015
Loans repayable on demand		
— Unsecured Loans	1,38,00,000	—
	1,38,00,000	—

2.5 Trade Payables

Particulars	As at 31 March 2016	As at 31 March 2015
Trade Payables ¹	40,432	8,88,633
	40,432	8,88,633

¹ The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2016.

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.6 Other current liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
Expenses payable	1,78,479	1,38,672
Interest payable	16,73,572	9,79,692
Payable to related party	8,01,057	—
Payable to employees	1,51,190	2,17,763
Statutory liabilities	2,19,835	2,67,162
	30,24,133	16,03,289

2.7 Short-term Provisions

Particulars	As at 31 March 2016	As at 31 March 2015
Gratuity	63,115	56,428
Compensated absences	33,870	35,005
Net Provision for Taxation	—	4,35,293
	96,985	5,26,726

2.8 Tangible assets

Cost	As at 1 April 2014	Additions	Deletions / other Adjustment	As at 31 March 2015	Additions	Deletions	As at 31 March 2016
Furniture and fixtures	79,920	—	—	79,920	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	93,300
Office equipments	36,000	17,490	—	53,490	—	—	53,490
Total	2,09,220	17,490	—	2,26,710	—	—	2,26,710

Depreciation	As at 1 April 2014	Additions	Deletions / other Adjustment	As at 31 March 2015	Additions	Deletions	As at 31 March 2016
Furniture and fixtures	79,920	—	—	79,920	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	93,300
Office equipments	8,921	9,194	(7,152)	25,267	9,825	—	35,092
Total	1,82,141	9,194	(7,152)	1,98,487	9,825	—	2,08,312

Carrying amounts				As at 31 March 2015			As at 31 March 2016
Furniture and fixtures				—			—
Computers and peripherals				—			—
Office equipments				28,223			18,398
Total				28,223			18,398

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
Notes to financial statements (Contd.)
(Amounts in Indian Rupees)
2.9 Non - current Investments (valued at cost unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
I. Other than Trade Investments		
(A) Investment in Subsidiaries - (Equity Shares)		
(i) Quoted		
Almondz Global Securities Limited 1,38,76,669 (previous year 1,28,58,814) equity shares of Rs. 6 each fully paid up	35,84,33,919	34,88,86,082
Net Total (a)	35,84,33,919	34,88,86,082
(ii) Unquoted		
Almondz Infosystem Private Limited 50,000 (previous year 50,000) equity shares of Rs. 10 each fully paid up	5,00,000	5,00,000
Express Infra Financial Consultancy Private Limited Nil (previous year 57,00,000) equity shares of Rs. 10 each fully paid up	—	5,70,00,000
Red Solutions Private Limited 50,000 (previous year Nil) equity shares of Rs. 10 each fully Paid up	25,000	—
Latitude 23 Communications Limited 1,84,900 (previous year 1,84,900) equity shares of Rs. 10 each fully Paid up	9,91,780	9,91,780
Almondz Insurance Brokers Private Limited 13,77,000 (previous year 9,18,000) equity shares of Rs. 10 each fully paid up	11,38,89,400	11,38,89,400
Glow Apparels Private Limited 20,00,000 (previous year 20,00,000) equity shares of Rs. 10 each fully paid up	2,00,00,000	20,000,000
Avonmore Developer Private Limited 85,00,000 (previous year 15,00,000) equity shares of Rs. 10 each fully Paid up	8,50,00,000	1,50,00,000
Anemone Holdings Private Limited 10,000 (previous year 10,000) equity shares of Rs. 10 each fully paid up	1,00,000	1,00,000
Apricot Infosoft Private Limited 30,00,000 (previous year 10,000) equity shares of Rs. 10 each fully paid up	3,00,00,000	1,00,000
Shivsathi Nikentan Limited 26,000 (previous year 26,000) equity shares of Rs. 10 each fully paid up	2,60,000	2,60,000
	25,07,66,180	20,78,41,180
Less : Diminution in the value of investment	(6,00,000)	(6,00,000)
Net Total (b)	25,01,66,180	20,72,41,180

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.9 Non-current Investments (valued at cost unless otherwise stated) *Continued*

Particulars	As at 31 March 2016	As at 31 March 2015
(B) Investment in Subsidiaries (Preference Shares)		
(i) Unquoted		
Express Infra Financial Consultancy Private Limited Nil (previous year 10,00,000) preference shares of Rs. 100 each fully paid up	—	10,00,00,000
Net Total	—	10,00,00,000
(C) Investment in Others (Equity Shares)		
(i) Unquoted		
Globus Industries & Services Limited 10,000 (previous year 10,000) equity shares of Rs. 10 each fully Paid up	1,00,000	1,00,000
Shiivaz Spas & Hospitality Private Limited 20,000 (previous year 20,000) equity shares of Rs. 10 each fully Paid up	2,00,000	2,00,000
Almondz Commodities Private Limited Nil (previous year 2,50,000) equity shares of Rs.10 each fully Paid up	—	25,00,000
	3,00,000	28,00,000
Less : Diminution in the value of investment	(21,3,700)	(12,51,700)
Net Total	86,300	15,48,300
(D) Investment in Government Securities		
National Savings Certificate	23,000	23,000
Less : Diminution in the value of investment	(23,000)	(23,000)
Net Total	—	—
(E) Investment in Paintings & Sculpture		
Painting & Sculpture	11,82,978	11,82,978
Net Total	11,82,978	11,82,978
Total (a+b+c+d+e+f)	60,98,69,377	65,88,58,540
Aggregate market value of quoted investment	14,29,29,691	13,58,57,547
Aggregate book value of quoted investment	35,84,33,919	34,88,86,082
Aggregate cost of unquoted investment	25,07,66,180	20,78,41,180

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.10 Inventories

Particulars	As at 31 March 2016	As at 31 March 2015
Equity Shares, quoted at Cost or net realisable value, whichever is lower	52,53,701	36,58,062
	52,53,701	36,58,062

Break-up of Inventories held as at 31 March 2016 is as follows :

Particulars	Nos.	Amount
Quoted Shares		
International Paper APPM Limited	17,278	50,62,171
Elder Pharmaceuticals Limited	200	7,530
Zee Media Corporation Limited	10,000	1,84,000
	27,478	52,53,701

Break-up of Inventories held as at 31 March 2015 is as follows :

Particulars	No.	Amount
Quoted Shares		
Elder Pharmaceuticals Limited	200	22,360
National Building Construction Company Limited	1,000	9,57,550
Geometric Limited	2,000	3,34,000
Whirlpool of India limited	1,000	7,35,350
Andhra Pradesh Paper Mills Limited	5,173	16,08,802
	9,373	36,58,062

2.11 Trade receivables

Particulars	As at 31 March 2016	As at 31 March 2015
Considered good		
– outstanding for more than six months	—	—
– other debts	3,288	32,780
	3,288	32,780
Less : Provision for doubtful debts	—	—
	3,288	32,780

2.12 Cash and cash equivalents

Particulars	As at 31 March 2016	As at 31 March 2015
Cash in Hand	8,09,178	1,58,442
Balances with scheduled banks : – on current accounts	26,47,969	1,80,430
	34,57,147	3,38,872

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.13 Short-term loans and advances

Particulars	As at 31 March 2016	As at 31 March 2015
Loans and advances to related party Unsecured, considered good	9,25,00,000	25,00,000
Loans and advances to other Unsecured, considered good	70,00,000	1,33,00,000
Advances recoverable in cash or in kind or for value to be received		
Advance to related party	25,510	1,34,39,522
Advance to employee	—	80,000
Advance to others	5,172	378
Balance with tax authorities	18,52,007	14,15,847
Prepaid expenses	—	16,819
	10,13,82,689	3,07,52,566

2.14 Other Current Assets

Particulars	As at 31 March 2016	As at 31 March 2015
Interest accrued and due on loans - others	12,33,758	29,82,633
Less : Provision for non performing assets	1,42,603	1,42,603
	10,91,155	28,40,030
Interest accrued and due on loans - related party	52,35,376	8,10,015
Mat Credit available	—	5,10,000
	63,26,531	41,60,045

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Notes to financial statements (Contd.)
(Amounts in Indian Rupees)
2.15 Revenue from operations

	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A)	Interest Income		
	Interest on Loans	69,37,544	33,68,220
		69,37,544	33,68,220
B)	Net Income from Trading of Shares and Securities		
(i)	Opening Stock of Shares	36,58,062	66,16,801
	Add : Purchase of Shares	4,46,72,996	9,67,88,454
		4,83,31,058	10,34,05,255
	Less : Closing Stock of Shares	52,53,701	36,58,062
	Cost of Shares sold	4,30,77,357	9,97,47,193
	Less : Sale of Shares	4,33,98,940	10,80,20,450
		3,21,583	82,73,257
(ii)	Profit / (Loss) on derivatives	(2,3,23,346)	60,86,491
(iii)	Opening Stock of bonds	—	—
	Add : Purchase of bonds	—	65,82,658
		—	65,82,658
	Less : Closing Stock of bonds	—	—
	Cost of bonds sold	—	65,82,658
	Less : Sale of bonds	—	66,08,929
		—	26,271
		(20,01,763)	1,43,86,019
C)	Other Operating Income		
	Dividends received	1,30,14,955	2,71,79,842
	Profit on Sale of Investment	—	10,75,869
		1,30,14,955	2,82,55,711
	Total Operating Income (A+B+C)	1,79,50,736	4,60,09,950

2.16 Other income

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Miscellaneous income	2,872	29,174
Excess provision no longer required written back	8,589	—
Excess provision of dimunition of investment reversed	10,38,000	—
Provision of Bad debts written back	—	61,800
	10,49,461	90,974

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.17 Employee benefits expenses

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, bonus and other allowances	24,43,251	22,28,762
Provision for Leave Encashment	8,996	97,546
Provision for Gratuity	83,394	61,820
Staff welfare	43,709	11,271
Contribution to provident and other funds	81,393	55,811
	26,60,743	24,55,210

2.18 Finance cost

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	18,59,525	28,45,801
	18,59,525	28,45,801

2.19 Depreciation and Amortisation expenses

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation on : Tangible Assets	9,825	9,194
	9,825	9,194

2.20 Other expenses

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Legal and professional charges ¹	10,29,957	32,00,359
Rates, fee and taxes	95,888	7,30,242
Printing and stationery	3,54,927	2,85,888
Communication expenses	1,91,586	1,99,900
Miscellaneous expenses	72,314	53,361
Membership & subscription	3,62,360	2,35,202
Bad debts written off	—	61,800
Contingent provision on Standard Asset	2,18,387	12,572
Travelling and conveyance	65,228	71,250
Advertisement expenses	—	1,554
Bank Charges	6,670	1,502
	23,97,317	48,53,630

¹ Payment to Auditors (excluding service tax)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Statutory Auditors		
Audit Fee	95,000	95,000
Tax Audit Fee	20,000	20,000
Certification Fee	96,000	98,000
	2,11,000	2,13,000

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
a) Net Profit After Tax available for Equity Shareholders	1,42,33,916	3,42,40,291
b) Weighted average number of Equity Shares for Basic EPS	2,56,50,280	2,33,91,448
c) Weighted average number of Equity Shares for Diluted EPS	2,56,50,280	2,33,91,448
d) Basic earning per share (Rs.)	0.55	1.46
e) Diluted earning per share (Rs.)	0.55	1.46

2.22 Details of Subsidiary at the end of the year in compliance to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

S. No.	1	2	3	4	5	6	7	8
Name of subsidiary	Almondz Infosystem Private Limited	Latitude 23 Communication Limited	Almondz Global Securities Limited	Avonmore Developers Private Limited	Apricot Infosoft Private Limited	Anemone Holdings Private Limited	Glow Apparels Private Limited	Red Solutions Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company
Share capital	5,00,000	18,49,000	15,53,09,802	8,50,00,000	3,00,00,000	1,00,000	2,00,00,000	1,31,45,000
Reserve & surplus	(7,552)	(15,53,169)	1,06,07,83,170	(11,09,116)	(4,59,654)	(38,230)	(5,46,859)	(1,36,98,344)
Total assets	5,20,390	3,01,593	1,55,29,53,008	8,39,33,249	2,95,86,316	74,033	2,65,15,084	18,11,43,772
Investments	—	—	62,29,03,122	8,06,65,280	2,95,00,000	—	2,62,79,445	—
Turnover	50,875	—	39,75,47,458	2,31,612	22,500	—	23,500	1,99,808
Profit before taxation	1,587	(17,044)	15,22,471	(5,73,313)	(4,51,712)	(25,043)	(64,191)	(3,39,526)
Provision for taxation	(2,297)	—	(54,16,909)	34,700	—	—	—	(3,362)
Profit after taxation	3,884	(17,044)	69,39,380	(6,08,013)	—	(4,51,712)	(64,191)	(3,36,164)

2.23 Disclosures required under AS-15 - Employee Benefits

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

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.23 Disclosures required under AS-15 - Employee Benefits (Contd.)

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

Particulars	Gratuity		Leave Encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Opening defined benefit obligation	1,53,508	40,743	165,425	67,879
Interest cost	11,938	3,574	11,538	5,554
Current service cost	54,330	21,251	22,959	10,354
Benefits paid	—	—	—	—
Actuarial (gain)/loss on obligation	21,291	87,940	(25,501)	81,638
Closing defined benefit obligation	2,41,067	1,,508	1,74,421	1,65,425

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

Particulars	Gratuity		Leave Encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Opening fair value of plan assets	62,296	58,515	—	—
Expected return	7,204	6,137	—	—
Contributions by employer	—	—	—	—
Actuarial gain / (losses)	(3,039)	(2,354)	—	—
Closing fair value of plan assets	66,461	62,298	—	—

iii) Statement of Profit and Loss :

Particulars	Gratuity		Leave Encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Current service cost	54,330	21,251	22,959	10,354
Interest cost	11,938	3,574	11,538	5,554
Expected return on plan assets	(7,204)	(6,135)	—	—
Actuarial gain / (losses)	24,330	90,293	(25,501)	81,638
Net benefit expense	(83,394)	(1,08,984)	—	—
Actual return on plan assets	29,064	87,733	8,996	97,546

iv) Balance sheet :

Particulars	Gratuity		Leave Encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Defined benefit obligation	2,41,067	1,53,508	1,65,425	67,879
Fair value of plan assets	66,461	62,296	—	—
Employee benefit expenses	—	—	8,996	97,546
Employer Contribution	—	—	—	—
Plan Liability / (Asset)	1,74,606	91,212	1,74,421	1,65,425

Liability in respect of leave encashment at the end of the current year amounts to Rs. 174,421/-

v) Actuarial Assumptions :

Particulars	Gratuity		Leave Encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Mortality table (LIC)	(2006-08)	(2006-08)	(2006-08)	(2006-08)
Discount rate	7.83%	7.83%	7.83%	8.80%
Expected rate of return on plan assets	8.00%	9.00%	N.A.	9.00%
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
Notes to financial statements (Contd.)
(Amounts in Indian Rupees)
2.24 Segment Reporting
For the year ended 31 March 2016

Particulars	Fees and Commission	Income from Investments activities	Debt & Equity Market Operations	Finance activities	Unallocable	Total
Segment Revenue						
Gross Segment Revenue	—	1,30,08,060	(19,94,868)	69,37,544	10,49,461	1,90,00,197
Less : Inter Segment Adjustment	—	—	—	—	—	—
Net Segment Revenue	—	1,30,08,060	(19,94,868)	69,37,544	10,49,461	1,90,00,197
Segment Results						
Segment Result before Extra-ordinary Items	—	1,30,08,060	(19,94,868)	50,78,019	(10,18,424)	1,50,72,787
Prior Period Expenses / (Income)	—	—	—	—	2,330	2,330
Profit before Tax	—	1,30,08,060	(19,94,868)	50,78,019	(10,20,754)	1,50,70,457
Less : Provision for Tax	—	—	—	—	8,36,541	8,36,541
Profit after Tax	—	1,30,08,060	(19,94,868)	50,78,019	(18,57,295)	1,42,33,916
Other Information						
Segment Assets	—	60,98,69,377	52,53,701	10,85,06,012	26,82,041	72,63,11,131
Segment Liabilities	—	—	24,74,629	1,42,52,469	7,51,417	1,74,78,515
Capital Expenditure	—	—	—	—	—	—
Depreciation	—	—	—	—	9,825	9,825
Non cash expenditure other than depreciation (net of non-cash income)	—	—	—	2,18,387	83,801	3,02,188

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Notes to financial statements (Contd.)
(Amounts in Indian Rupees)
2.24 Segment Reporting (Contd.)
For the year ended 31 March 2015

Particulars	Fees and Commission	Income from Investments activities	Debt & Equity Market Operations	Finance activities	Unallocable	Total
Segment Revenue						
Gross Segment Revenue	61,800	2,82,55,711	1,43,86,020	33,68,220	29,173	4,61,00,924
Less : Inter Segment Adjustment	—	—	—	—	—	—
Net Segment Revenue	61,800	2,82,55,711	1,43,86,020	33,68,220	29,173	4,61,00,924
Segment Results						
Segment Result before Extra-ordinary Items	—	2,82,55,711	1,21,86,020	5,22,419	(50,27,060)	3,59,37,090
Prior Period Expenses / (Income)	—	—	—	—	4,138	4,138
Profit before Tax	—	2,82,55,711	1,21,86,020	5,22,419	(50,31,198)	3,59,32,952
Less: Provision for Tax	—	—	—	—	1,692,662	16,92,662
Profit after Tax	—	2,82,55,711	1,21,86,020	5,22,419	(67,23,860)	3,42,40,290
Other Information						
Segment Assets	—	65,88,75,359	36,58,062	3,29,45,441	23,50,226	69,78,29,088
Segment Liabilities	—	—	8,10,000	12,46,854	11,73,534	32,30,388
Capital Expenditure	—	—	—	—	17,490	17,490
Depreciation	—	—	—	—	9,194	9,194
Non cash expenditure other than depreciation (net of non-cash income)	—	12,572	—	1,42,603	16,763	1,71,938

- Primary Business Segments : The Company's business segments have been classified as above. This business segregation forms the basis for review of operating performance by the management.
- Fees and Commission activities comprises of broking / commission/ underwriting/ arranger fees mainly in the nature of services involving no or negligible financial risk.
- Income from Investments activities comprises of dividend received, interest on Fixed Deposits, Profit on sale of Investment.
- Debt & Equity market Operations include profit on trading activities.
- Finance activities include Interest income on loan given.
- The accounting policies of the segments are the same, to the extent possible, as those described in the summary of significant accounting policies as referred to in 'Note 1' to the accounts.

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.25 Related Party Disclosures

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

(i) Subsidiaries (Entities with which control relationship exists)

- a) Almondz Infosystem Private Limited (AIPL)
- b) North Square Projects Private Limited (NSPPL) (upto 31 May 2014)
- c) Express Infra Financial Consultancy Services Private Limited (EIFCSPL) (upto 17 Aug 2015)
- d) Latitude 23 Communication Limited (Latitude)
- e) Almondz Insurance Brokers Private Limited* (AIBPL)
- f) Almondz Global Securities Limited (AGSL) (w.e.f. 1 April 2015)
- g) Avonmore Developers Private Limited (ADPL)
- h) Shivsathi Niketan Limited (SNL)
- i) Apricot Infosoft Private Limited (APIPL)
- j) Anemone Holdings Private Limited (AHPL)
- k) Glow Apparels Private Limited (GAPL)
- l) Red Solutions Private Limited (RSPL)

* Almondz Re-insurance Brokers Private Limited which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL w.e.f. 22 December 2015

(ii) Associates :

- a) Almondz Global Securities Limited (upto 31 March 2015)
- b) Almondz Commodities Private Limited (ACPL) (upto 30 September 2015)
- c) Yug Infrastructure Private Limited (YIPL)
- d) Shivaz Spas & Hospitality Private Limited (SSHPL)
- e) Almondz Finanz Limited (AFL) (Subsidiary of an Associate up to 31 March 2015)
- f) Almondz Finanz Limited (AFL) (Subsidiary of Subsidiary w.e.f 1 April 2015)

(iii) Investing parties in respect of which company is as associate :

- a) Innovative Money Matters Private Limited (IMMPL)

(iv) Key Managerial Personnel :

- a) Mr. Ashok Kumar Gupta - Managing Director
- b) Ms. Reema Sachdeva - Company Secretary (upto 30 September 2014)
- c) Mr. Kunal Madaan - Company Secretary (upto 29 February 2016)
- d) Mr. Sagar Gupta - Company Secretary (w.e.f 02 May 2016)
- e) Ms. Shruti Aggarwal - Chief Financial Officer

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Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.25 Related Party Disclosures (Contd.)

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

For the year ended 31 March 2016

(i) Transactions with subsidiaries, associates and key managerial personnel :

Particulars	AIBPL	ACPL	AFL	AGSL	EIFCSPL	AIPL	GAPL	LATITUDE	APIPL
Income									
Dividend	1,30,08,060	—	—	—	—	—	—	—	—
Rent	—	—	—	—	—	—	—	—	—
Interest received	—	—	—	—	1,100	21,639	4,44,197	—	—
Sale of bonds	—	—	—	—	—	—	—	—	—
Expenditure									
Remuneration	—	—	—	—	—	—	—	—	—
Delay payment charges paid	—	—	—	16,189	—	—	—	—	—
Depository charges paid	—	—	—	5,052	—	—	—	—	—
Brokerage paid	—	—	—	3,55,795	—	—	—	—	—
Assets / Liabilities									
Loans granted	—	—	—	—	45,00,000	1,10,00,000	66,00,000	—	—
Repayment of loans granted	—	—	—	—	—	45,00,000	1,10,00,000	—	—
Advances received	—	—	1,000	—	—	—	—	—	—
Advances repaid	—	—	1,000	—	—	—	—	—	—
Advances given	—	—	—	1,000	—	3,200	—	—	4,24,360
Advances given repayment	—	—	—	1,000	—	3,200	—	—	3,98,850
Investment made	—	—	—	95,48,838	—	—	—	—	2,99,00,000
Closing balances									
Non-Current Investment	11,38,89,400	—	—	35,84,34,919	—	5,00,000	2,00,00,000	9,91,780	3,00,00,000
Advances given	—	—	—	—	—	—	—	—	25,510
Sundry debtors	—	—	—	6,28,497	—	—	—	—	—

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.25 Related Party Disclosures (Contd.)

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

For the year ended 31 March 2016

(ii) Transactions with subsidiaries, associates and key managerial personnel (contd..)

Particulars	AHPL	ADPL	SNL	SSPL	RSPL	Ashok Kumar Gupta	Shruti Aggarwal	Kunal Madaan
Income								
Dividend	—	—	—	—	—	—	—	—
Rent	—	—	—	—	—	—	—	—
Interest received	—	19,125	—	—	53,32,123	—	—	—
Sale of bonds	—	—	—	—	—	—	—	—
Expenditure								
Remuneration	—	—	—	—	—	16,61,100	1,98,755	2,56,984
Brokerage paid	—	—	—	—	—	—	—	—
Assets / Liabilities								
Loans granted	—	—	—	—	9,18,00,000	—	—	—
Repayment of loans granted	—	5,00,000	—	—	79,00,000	—	—	—
Advances given	—	—	—	—	—	—	—	—
Advances given repayment	—	2,374	—	—	—	—	—	—
Purchase of Investments	—	7,00,00,000	—	—	25,000	—	—	—
Closing balances								
Non-Current Investment	1,00,000	8,00,00,000	2,60,000	2,00,000	25,000	—	—	—
Advances given	—	—	—	—	—	—	—	—
Sundry debtors	—	—	—	—	—	—	—	—

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.25 Related Party Disclosures (Contd.)

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

For the year ended 31 March 2015

(iii) Transactions with subsidiaries, associates and key managerial personnel :

Particulars	AIBPL	ACPL	AFL	AGSL	EIFCSPL	IMMPL	GAPL	LATITUDE	NSPPL
Income									
Dividend	2,70,81,000	—	—	—	—	—	—	—	—
Rent	—	—	—	—	—	—	—	—	—
Interest received	—	92,465	—	—	—	—	79,644	—	—
Sale of bonds	—	—	—	63,60,000	—	—	—	—	—
Expenditure									
Remuneration	—	—	—	—	—	—	—	—	—
Purchase of Bonds	—	—	63,60,000	—	—	—	—	—	—
Delay payment charged paid	—	—	—	9,665	—	—	—	—	—
Depository Charges paid	—	—	—	12,558	—	—	—	—	—
Brokerage paid	—	—	—	4,22,196	—	—	—	—	—
Assets / Liabilities									
Loan granted	—	—	—	—	—	—	1,65,00,000	—	—
Repayment of loan granted	—	10,00,000	—	10,00,000	—	—	—	—	55,10,000
Advances given	—	—	—	—	—	3,00,000	2,02,000	—	—
Advances given Repayment	—	—	—	—	—	—	—	—	—
Investments made	—	—	—	16,02,628	10,70,00,000	—	2,00,00,000	1,53,780	—
Sale of Investments	—	—	—	15,00,000	—	—	—	—	—
Closing balances									
Non-Current Investment	11,38,89,400	—	—	—	—	—	—	—	—
Sundry debtors	—	—	—	1,34,95,395	—	—	—	—	—

(vi) Transactions with subsidiaries, associates and key managerial personnel (contd..)

Particulars	APIPL	AHPL	ADPL	SNL	YIPL	Ashok Kumar Gupta	Shruti Aggarwal	Kunal Madaan	Reema Sachdeva
Income									
Dividend	—	—	—	—	—	—	—	—	—
Interest received	—	—	23,736	—	—	—	—	—	—
Sale of bonds	—	—	—	—	—	—	—	—	—
Expenditure									
Remuneration	—	—	—	—	—	16,30,200	2,04,566	90,968	90,600
Brokerage paid	—	—	—	—	—	—	—	—	—
Assets / Liabilities									
Loan granted	—	—	5,00,000	—	—	—	—	—	—
Repayment of loan granted	—	—	—	—	—	—	—	—	—
Advances given	—	—	—	—	46,00,000	—	—	—	—
Advances given Repayment	—	—	—	—	72,50,000	—	—	—	—
Investments made	1,00,000	1,00,000	1,50,00,000	2,60,000	—	—	—	—	—
Closing balances									
Non-Current Investment	—	—	—	—	—	—	—	—	—
Sundry debtors	—	—	—	—	—	—	—	—	—

Notes to financial statements (Contd.)

(Amounts in Indian Rupees)

2.26 Deferred Tax

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred Tax Liabilities		
Provision for retirement benefit	—	—
Total Deferred Tax Liabilities	—	—
Deferred Tax assets		
Fixed Assets	4,71,254	5,30,736
Provision for retirement benefit	1,13,242	83,266
Contingent provision for standard assets	85,954	15,099
Unabsorbed Business / Capital Loss	30,53,842	32,14,451
Total Deferred Tax Assets	37,24,292	38,43,552
Deferred Tax Assets (Net)	37,24,292	38,43,552

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

2.27 Corporate Guarantee

Particulars	As at 31 March 2016	As at 31 March 2015
Corporate Guarantee to Axis Bank for working capital limits to Almondz Global Securities Limited	27,50,00,000	27,50,00,000

As per our report of even date attached
For H. K. CHHABRA & Co.,
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of

Avonmore Capital & Management Services Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Avonmore Capital & Management Services Limited ("the company") and its subsidiaries (collectively referred to as 'the group'), which comprises the Consolidated Balance Sheet as at 31st March, 2016, the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

2. Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its subsidiaries and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2016 and the consolidated profit and its consolidated cash flows for the year ended on that date.

5. Other Matter

We did not audit the financial statements / consolidated financial statements of 9 direct subsidiaries, whose financial statements / consolidated financial statements reflect total assets (net) of Rs. 2,26,27,30,415 as at 31 March, 2016, total revenue (net) of Rs. 53,74,80,119 for the year ended 31 March, 2016, net profit / (loss) of Rs. (42,62,064) for the year ended 31 March, 2016 and net cash inflow amounting to Rs. (9,94,86,545) for the year ended 31st March, 2016. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

6. Report on other Legal and Regulatory Matters

As required by section 143 (3) of the Act, We report that :

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;

- (b) in our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the auditors;
- (c) the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) on the basis of written representations received from the Directors of the respective companies as on March 31, 2016 taken on record by the Board of Directors of the company and the reports of the auditors of the subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure", which is based on the Auditors's Reports of the Company and its subsidiaries incorporated in india. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiaries incorporated in india.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the Rull 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and the best of our information and according to the explanations given to us :
 - i) The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of 31st March 2016.
 - ii) The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standares, for material foreseeable losses on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

H. K. CHHABRA
Proprietor
(FCA – Membership No. 089616)

Place : New Delhi
Date : 28 May, 2016

Annexure to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date.)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act)

We have audited the internal financial controls over financial reporting of Avonmore Capital & Management Services Limited ('the Company') and its subsidiary companies incorporated in India as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 9 subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

H. K. CHHABRA
Proprietor

Place : New Delhi
Date : 28 May, 2016 (FCA – Membership No. 089616)

Consolidated Balance Sheet as at 31 March, 2016

(Amounts in Indian Rupees)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
a) Share capital	2.1	24,92,17,131	24,92,17,131
b) Reserves and surplus	2.2	74,99,17,170	56,05,85,780
		99,91,34,301	80,98,02,911
(2) Minority Interest			
		59,51,48,440	—
(3) Non-current liabilities			
a) Long-term borrowings	2.3	15,11,91,136	—
b) Other long-term liabilities	2.4	11,67,917	—
c) Long-term provisions	2.5	78,97,414	2,11,740
		16,02,56,467	2,11,740
(4) Current liabilities			
a) Short-term borrowings	2.6	24,09,99,311	45,00,000
b) Trade payables	2.7	1,48,07,455	8,95,993
c) Other current liabilities	2.8	36,66,19,346	24,35,430
d) Short-term provisions	2.9	1,39,29,347	6,67,619
		63,63,55,459	84,99,042
TOTAL		2,39,08,94,667	81,85,13,693
II ASSETS			
(1) Non-current assets			
a) Fixed assets			
i) assets	2.10	35,25,17,606	28,223
ii) Intangible assets	2.11	21,48,435	—
iii) Goodwill on consolidation		26,23,565	—
iv) Capital work-in-progress		5,40,000	—
b) Non-current investments	2.12	47,08,37,549	76,82,25,100
c) Deferred tax assets (net)	2.14	47,32,584	—
d) Long-term loans and advances	2.15	10,06,73,385	84,77,554
e) Other non-current assets	2.16	2,78,25,163	9,06,000
		96,18,98,287	77,76,36,877
(2) Current assets			
a) Inventories	2.16	30,09,70,715	36,58,062
b) Trade receivables	2.17	36,71,45,150	76,780
c) Cash and cash equivalents	2.18	7,60,17,075	32,45,765
d) Short-term loans and advances	2.19	53,16,58,483	3,03,11,331
e) Other current assets	2.20	15,32,04,957	35,84,878
		1,42,89,96,380	4,08,76,816
TOTAL		2,39,08,94,667	81,85,13,693

Significant accounting policies

1

Notes to financial statements

2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

(Amounts in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
I Revenue from operations	2.21	47,60,64,760	4,48,74,698
II Other income	2.22	7,36,38,554	12,52,299
III Total revenue (I+II)		54,97,03,314	4,61,26,997
IV Expenses :			
Employee benefits expenses	2.23	20,40,93,765	24,55,210
Finance costs	2.24	4,25,58,194	28,45,801
Depreciation and amortisation expense	2.10 & 2.11	1,92,11,846	9,194
Other expenses	2.25	27,44,97,829	66,29,706
Total expenses		54,03,61,634	1,19,39,911
V Profit / (loss) before prior period items and tax expense		93,41,680	3,41,87,086
Add : Profit on sale of investment		15,01,243	—
Less : Cash lost in theft		1,29,630	—
Less : Prior period expenses / (Incomes) (net)		2,48,367	4,138
VI Profit / (loss) before tax		1,04,64,926	3,41,82,948
VII Tax expense			
- Current tax		1,43,28,091	17,02,676
- Current tax of previous years		8,70,139	6,086
- MAT credit		(68,39,291)	—
- Wealth Tax		—	1,35,646
- Deferred tax charge / (credit)		12,32,222	—
VIII Profit for the year		8,73,765	3,23,38,540
Less : Minorities share of profit		4,05,427	—
Add : Profit / (loss) of Associates		13,60,010	3,82,93,803
IX Net surplus carried to reserves and surplus		18,28,348	7,06,32,343
X Earnings per share	2.26		
Basic		0.07	3.02
Diluted		0.07	3.02

Significant accounting policies 1

Notes to financial statements 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

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PAN : AQCPA2518D

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Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

Consolidated Cash Flow Statement for the year ended 31 March, 2016

(Amount in Indian Rupees)

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
A. Cash flow from operating activities		
Profit before prior period items and taxes	93,41,680	3,41,87,082
Adjustments for		
Depreciation	1,92,11,846	9,194
(Profit) / loss on sale of fixed assets	(29,281)	—
(Profit) / loss on sale of investment	15,01,243	(10,75,869)
Provision for bad debts written back	—	(61,800)
Fixed assets written off	1,63,811	—
Provision for employee benefits	32,89,662	1,59,366
Bad debts written off	43,91,478	61,800
Advance / debit balances written off	15,968	—
Provision for non performing assets	2,30,33,000	—
Provision for standard assets	2,18,387	12,572
Dividend income	(1,30,69,290)	(2,71,79,842)
Interest received	(3,16,18,080)	(32,64,836)
Interest expense	4,22,90,405	28,45,801
Adjustment due to consolidation	18,70,97,615	—
	24,58,38,444	56,93,469
Less : Cash lost in theft	1,29,630	—
Less : Prior period expense	2,48,367	4,138
Operating profit before working capital changes	24,54,60,447	56,89,331
Adjusted for net changes in working capital		
(Increase) / decrease in inventories	(29,73,12,653)	29,58,739
(Increase) / decrease in trade receivables	(37,14,59,848)	(76,780)
(Increase) / decrease in loans and advances and other current assets	(72,12,07,026)	(3,00,31,393)
Increase / (decrease) in current liabilities and provisions	39,69,05,067	20,93,057
Increase / (decrease) in bank deposits held as margin money	2,92,00,000	—
Cash flow before extra ordinary items and tax	(71,84,14,013)	(1,93,67,046)
Exclusion on disposal of subsidiary	—	62,00,510
Taxes paid	(95,91,161)	(18,44,408)
Net cash generated from / (used in) operating activities (A)	(72,80,05,174)	(1,50,10,944)
B. Cash flow from investing activities		
Purchase of fixed assets	(91,74,087)	(17,490)
(Payments) / proceeds for capital work in progress	(5,40,000)	—
Proceeds from sale of fixed assets	2,20,726	—
Addition of fixed assets due to consolidation	(36,76,54,398)	—
Fixed deposits (with a maturity more than 90 days) placed	(3,90,52,941)	—
Fixed deposits (with a maturity more than 90 days) matured	2,43,07,252	—
Investments made / disposal of investments	29,87,47,561	(1,80,44,147)
Dividend received	1,30,69,290	2,71,79,842
Net cash from / (used in) investing activities (B)	(8,00,76,597)	91,18,206

Consolidated Cash Flow Statement for the year ended 31 March, 2016 (Contd..)

(Amount in Indian Rupees)

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
C. Cash flow from financing activities		
Proceeds from issue of share capital	—	7,50,00,000
Proceeds from acquisition of minority interest	59,51,48,440	—
Repayment of long term borrowings (net)	(9,21,95,831)	—
Proceeds from long term borrowings (net)	15,11,91,136	(6,95,71,889)
Proceeds from short term borrowings (net)	23,64,99,311	—
Interest received	(4,22,90,405)	(28,45,801)
Interest paid	3,16,18,080	32,64,836
Net cash from/(used in) financing activities (C)	87,99,70,731	58,47,146
Net cash inflows during the year (A+B+C)	7,18,88,960	(45,592)
Cash and cash equivalents (opening balance)	28,14,068	28,59,660
Cash and cash equivalents (closing balance)	7,47,03,029	28,14,068
Notes		
1 The cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement', of the Companies (Accounting Standards) Rules, 2006.		
2 Cash and bank balances includes :		
Cash and cash equivalents		
Cash in hand	63,23,938	3,04,432
Cheques in Hand	1,18,03,080	—
Balances with scheduled banks		
- on current account	5,65,76,011	25,09,636
- on deposit account	8,42,729	4,31,697
	7,55,45,758	32,45,765
Unpaid dividend account (not available to for use of the company)	4,71,317	—
Cash and cash equivalents (closing balance)	7,60,17,075	32,45,765
Other bank balances (a)		
Fixed deposits (with a maturity more than 90 days) placed	12,56,18,763	—
Cash and bank balances at the end of the year	20,16,35,838	32,45,765
3 Cash and bank balances includes Rs. 57,50,000 (Previous year Rs. Nil) earmarked for settlement of certain liabilities and Rs. 7,13,00,000 (Previous year Rs. Nil) pledged with stock exchanges.		

As per our report of even date attached
For **H. K. CHHABRA & Co.,**
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

1. Significant accounting policies

(i) Principles of consolidation

The consolidated financial statements relate to Avonmore Capital & Management Services Limited hereinafter referred to as the "Company" and its subsidiaries, together hereinafter referred to as the "Group" comprise the following:

S. No.	Name of the Subsidiary Company	Incorporated on	Country of Incorporation	% of voting power held as at	
				31 March 2016	31 March 2015
a)	Almondz Infosystem Private Limited	31 December 2012	India	100%	100%
b)	Express Infra Financial Consultancy Private Limited (till 16 August 2015)	07 August 2009	India	—	100%
c)	Glow Apparels Private Limited	24 January 2012	India	100%	100%
d)	Anemone Holdings Private Limited	17 July 2014	India	100%	100%
e)	Apricot Infosoft Private Limited	21 March 2014	India	100%	100%
f)	Avonmore Developers Private Limited	04 June 2013	India	100%	100%
g)	Latitude 23 Communication Limited	28 September 2005	India	100%	100%
h)	Red Solutions Private Limited	09 August 2012	India	100%	—
i)	Almondz Global Securities Limited (w.e.f. 01 April 2015)	28 June 1994	India	53.61%	49.99%

In the preparation of these consolidated financial statements, investment in subsidiary companies has been accounted for in accordance with AS 21 (Accounting for Consolidated Financial Statements) prescribed by Companies (Accounting Standards) Rules, 2006. The consolidated financial statements are prepared, subject to the above, on the following basis:

- Subsidiary company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and unrealised profits or losses, except where cost cannot be recovered. Subsidiaries are excluded from consolidation when control is intended to be temporary because subsidiary is acquired and held exclusively with a view to its subsequent disposal in near future.

Temporary subsidiaries are as under :

S. No.	Name of the Subsidiary Company	Incorporated on	Country of Incorporation	% of voting power held as at	
				31 March 2016	31 March 2015
a)	Almondz Insurance Brokers Private Limited (AIBPL)	27 March 2003	India	51%	51%
b)	Almondz Reinsurance Brokers Private Limited (Subsidiary of Almondz Insurance Brokers Private Limited) (ARBPL) *	27 December 2006	India	51% (indirect holding)	51% (indirect holding)
c)	Shivsathi Niketan Limited (SNL) (Subsidiary w.e.f. 14 May 2014)	02 April 2013	India	52%	52%

* Almondz Reinsurance Brokers Private Limited (ARBPL) which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL w.e.f 22 December, 2015.

- The difference of the cost to the Company of its investment in subsidiary over its proportionate share in the equity of the investee company, as at the date of acquisition of stake is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- Minority interest, if any, in net profits of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

- (d) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (e) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2016.

(ii) Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), to comply with the accounting standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant provisions of the Companies Act, 2013. In respect of NBFC activities, prudential norms for asset classification, income recognition, valuation of investments, provisioning of bad and doubtful assets as prescribed by Reserve Bank of India for Non Banking Finance Company are complied. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy either to in use.

The consolidated financial statements have been prepared based on the Schedule III of the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Previous year's figures have been regrouped/reclassified wherever considered necessary. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

(iii) Use of estimates

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

(iv) Current / Non-current classification

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

i) Assets

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

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

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

ii) Liabilities

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

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

(v) Revenue recognition

- a. *Advisory and consultancy services* : Fees is booked on the completion of task / project as per the terms of agreement. However, where the percentage of completion is significant enough to ascertain the outcome reliably, revenue is recognised to the extent it can be accurately measured.
- b. *Broking activities* : Income from broking on distribution operations is recognised on the closure of the issue of mutual funds, bonds, fixed deposits and other money market instruments. Income from stock broking operations and commodity broking operation is accrued on completion of transaction at the respective stock exchanges.
- c. In the case of trading in bonds, the profit/loss from the transaction is recognised on the closure of the deal and consequent delivery of the bond.

- d. Revenue on account of trading in shares is recognized on the basis of each trade executed at the stock exchange during the financial year.
- e. In respect of non delivery based transactions such as derivatives, the profit / loss is accounted for at the completion of each settlement, however in case of an open settlement, the net result of transaction which are squared up on FIFO basis, is recognized as profit / loss in the account.
- f. Dividend income is recognised when the right to receive the income is established.
- g. Depository income is accounted for on accrual basis.
- h. In case of fixed income securities / deposits / loans, interest is recognised on a time proportionate basis.
- i. In the case of Loans advanced / interest bearing securities / deposits, the interest is recognized as earned on day to day basis. In case of interest on investments held as stock in trade, broken period interest on every purchase or sale is split from the price as accrued interest paid or realised. Such broken period accrued interest paid on purchase & received subsequently on its sale is netted and reckoned as income.
- j. Sale of spectacles is accounted for on accrual basis.
- k. In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.
- l. In respect of NBFC activities, the revenue recognition policies are in accordance with Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ('prudential norms') as amended from time to time by the Reserve Bank of India. Reversal of income, necessitated by these guidelines, has been netted off from income from operations and accounting of interest on non-performing assets and penal interest on cash basis.

(vi) Provision for standard and non-performing assets

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

(vii) Interest expense

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

(viii) Expenditure

Expenses are recognised on accrual basis and provisions are made for all known losses and liabilities. Expenses incurred on behalf of other companies, for sharing personnel, common services and facilities like premises,

telephones, etc. are allocated to them at cost and reduced from respective expenses.

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

(ix) Employee benefits

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

(a) Short term benefits

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

(b) Provident fund (Defined contribution plan)

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

(c) Gratuity (Defined benefit plan)

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

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

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

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

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

(x) Fixed assets, depreciation and amortisation

(i) Tangible assets

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

- (a) Leasehold improvements are depreciated over the lease period as stated in the lease agreement or over the estimated useful life of the assets, whichever is shorter.
- (b) Depreciation is provided based on useful life of assets on Straight Line Method (SLM). The useful life of assets is taken as prescribed in Schedule II to the Companies Act, 2013.

(ii) Intangible assets and its amortisation

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

- (iii)** Advances paid towards acquisition of fixed assets and cost of assets not ready for use before year end are disclosed as capital work in progress.

(xi) Impairment

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

(xii) Investments

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

to be realised within twelve months from the balance sheet date are classified as current investments. Current investments are valued at lower of cost and market value, computed category-wise e.g. quoted shares, unquoted shares, government securities and non government securities/bonds. The diminution in current investments is charged to the statement of profit and loss and appreciation, if any, is recognised at the time of sale. Long-term investments, including investments in subsidiaries, are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer.

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

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

(xiii) Foreign currency transactions

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

(xiv) Current and deferred tax

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

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

(xv) Provisions, contingent liabilities and contingent assets

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

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

(xvi) Earnings per share

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

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

(xvii) Operating leases

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

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

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

(xix) Cash and cash equivalents

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

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2.0 Notes to the consolidated financial statements

(Amounts in Indian Rupees)

2.1 Share capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
Authorised share capital Equity shares of Rs. 10	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Issued, subscribed Equity shares of Rs. 10	2,56,50,280	25,65,02,800	2,56,50,280	25,65,02,800
Paid Up Capital Equity shares of Rs. 10 each fully paid up Add : 13,79,380 shares forfeited	2,42,70,900 13,79,380	24,27,09,000 65,08,131	2,42,70,900 13,79,380	24,27,09,000 65,08,131
	2,56,50,280	24,92,17,131	2,56,50,280	24,92,17,131

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below :

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs. 10 each At the beginning of the year	2,42,70,900	24,27,09,000	2,12,70,900	21,27,09,000
Add : Shares forfeited	13,79,380	65,08,131	13,79,380	65,08,131
Add : Shares issued during the year	—	—	30,00,000	3,00,00,000
At the end of the year	2,56,50,280	24,92,17,131	2,56,50,280	24,92,17,131

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Innovative Money Matters Private Limited	85,89,251	35.39	85,89,251	35.39
Veena Gases & Chemicals Private Limited	15,24,058	6.28	15,24,058	6.28
Dinkar Commercials Private Limited	15,00,000	6.18	15,00,000	6.18
Amarendra Financial Private Limited	15,00,000	6.18	15,00,000	6.18

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.2 Reserves and surplus

Particulars	As at	
	31 March 2016	31 March 2015
(a) Securities premium	25,64,17,900	25,64,17,900
(b) Capital reserve	7,44,48,968	7,44,48,968
Capital Reserve on Consolidation	31,53,21,868	8,57,220
	38,97,70,836	7,53,06,188
(c) Special reserve created under section 45-IC of the RBI Act, 1934		
At the beginning of the year	1,66,59,161	98,11,103
Add : Transferred from Surplus	29,49,086	68,48,058
Balance at the end of year	1,96,08,247	1,66,59,161
(d) Surplus in the Statement of Profit and Loss		
At the beginning of the year	21,22,02,531	6,86,78,724
Less : Depreciation related to previous years	—	7,152
Add : Profit / (loss) of associates	—	11,78,77,853
(Less) / Add : Profit of Subsidiary excluded / included	(12,69,61,606)	1,62,622
Add : Profit after tax net of share in associate's profit and minority interest	18,28,348	3,23,38,542
Less : Appropriations		
Less : Transfer to special reserve	29,49,086	68,48,058
At the end of the year	8,41,20,187	21,22,02,531
Total (a+b+c+d)	74,99,17,170	56,05,85,780

2.3 Long-term borrowings

Particulars	As at	
	31 March 2016	31 March 2015
Secured term loan		
From banks	47,70,654	—
From others	14,64,20,482	—
Total	15,11,91,136	—

Nature of security of secured borrowings (net of current maturities) :

Name of Company	Relation	Amount	Nature of Security
Almondz Global Infra-Consultant Limited	Step-down Subsidiary	12,08,816	Hypothecation of specific vehicle financed.
Skiffle Healthcare Services Limited	Step-down Subsidiary	30,51,826	Charge on fixed asset on related machineries & vehicle and additionally guaranteed by Mr. Navjeet Singh Sobti & Corporate guarantee of AGSL of Rs. 98,08,000
Almondz Global Securities Limited	Subsidiary	14,64,20,482	Equitable mortgage of the building owned by the AGSL and additionally guaranteed Mr. Navjeet Singh Sobti (Vice Chairman and Managing Director of the borrowing subsidiary.

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.4 Other long-term liabilities

Particulars	As at	
	31 March 2016	31 March 2015
Security deposits received	9,53,505	—
Rent equalisation reserve	2,14,412	—
Total	11,67,917	—

2.5 Long-term provisions

Particulars	As at	
	31 March 2016	31 March 2015
Provision for employee benefits :		
Gratuity	26,96,718	34,784
Compensated absences	44,55,685	1,30,420
Contingent provision for standard assets	7,45,011	46,536
Total	78,97,414	2,11,740

2.6 Short-term borrowings

Particulars	As at	
	31 March 2016	31 March 2015
Secured		
Working capital facilities	12,93,69,853	—
Secured overdraft from banks	2,64,04,458	—
Unsecured		
Loan from others	8,52,25,000	45,00,000
Total	24,09,99,311	45,00,000

Name of Company	Limits	Relation	Bank	Amount	Nature of Security
Almondz Global Securities Limited	Working Capital Limit	Subsidiary	Axis Bank	Rs. 5,000 Lacs	- Pledge of securities purchased - Counter guarantee of AGSL - Personal guarantee of Mr. Navjeet Singh Sobti (Vice Chairman and Managing Director of the borrowing subsidiary)
Almondz Global Securities Limited	Working Capital Limit	Subsidiary	Punjab National Bank	Rs. 5,000 Lacs	- Pledge of securities purchased - Counter guarantee of AGSL - Personal guarantee of Mr. Navjeet Singh Sobti (Vice Chairman and Managing Director of the borrowing subsidiary)
Almondz Finanz Limited	Working Capital Limit	Step-down Subsidiary	Dena Bank	Rs. 3,000 Lacs	- Exclusive charge on Govt. Securities held in Demat Account., State & Central Government guaranteed bonds / PSU / SLU / Non PSU and exclusively charge on receivable. - Additionally guaranteed by Mr. Navjeet Singh Sobti in his personal capacity. - Corporate Guarantee of AGSL.
Almondz Global Securities Limited	Overdraft Limit	Subsidiary	Axis Bank	Rs. 250 Lacs	- Pledge of shares held in Demat Account.
Almondz Global Securities Limited	Overdraft Limit	Subsidiary	IDBI Bank	Rs. 200 Lacs	- Pledge of Fixed deposit with the IDBI Bank.
Almondz Global Securities Limited	Overdraft Limit	Subsidiary	Punjab National Bank	Rs. 138.75 Lacs	- Pledge of Fixed deposit with Punjab National Bank

Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.7 Trade Payable

Particulars	As at	
	31 March 2016	31 March 2015
Trade payables *	1,48,07,455	8,95,993
Total	1,48,07,455	8,95,993

* The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers, the entrepreneurs memorandum number as allocated after filing of the memorandum. Based on information received and available with the company, there are no trade payables and other current liabilities payable to Micro and Small Enterprises as at 31 March 2016 and 31 March 2015.

2.8 Other current liabilities

Particulars	As at	
	31 March 2016	31 March 2015
Current maturities of long-term debt	2,57,92,071	—
Advance received	34,98,207	—
Book overdraft	6,11,06,385	—
Rent equalization reserve	4,42,128	—
Interest accrued but not due on borrowings	1,71,44,736	5,65,680
Unpaid dividend *	4,71,317	—
Due to clients	18,97,26,925	55,874
Expenses payable	3,80,73,757	14,08,490
Statutory dues	1,65,45,163	4,05,386
Other payables	1,35,68,657	—
Security deposit received	2,50,000	—
Total	36,66,19,346	24,35,430

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 (2) of the Companies Act, 2013 as at the year end.

2.9 Short-term Provisions

Particulars	As at	
	31 March 2016	31 March 2015
Provision for employee benefits		
Gratuity	16,96,638	56,428
Compensated absences	8,36,211	35,005
	25,32,849	91,433
Other provisions		
Provision for wealth tax	—	1,35,646
Provision for taxes [Net of tax deducted at source of Rs. 15,88,511 (previous year Rs. 12,53,590)]	1,13,96,498	4,40,540
	1,13,96,498	5,76,186
Total	1,39,29,347	6,67,619

Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.10 Tangible assets

Cost	As at 1 April 2014	Additions	Deletions	Adjust- ment	As at 31 March 2015	Additions	Additions on Consolidation	Deletions	As at 31 March 2016
Land (free hold)	5,943,853	—	59,43,853	—	—	—	59,43,853	—	59,43,853
Office Buildings	—	—	—	—	—	—	33,95,20,730	—	33,95,20,730
Plant & Machinery	—	—	—	—	—	9,46,289	1,63,54,700	—	1,73,00,989
Furniture and fixtures	79,920	—	—	—	79,920	8,89,604	2,61,15,683	79,350	2,70,05,857
Vehicles	—	—	—	—	—	28,23,009	2,33,39,292	16,38,650	2,45,23,651
Office equipments	36,000	17,490	—	—	53,490	14,41,827	2,60,51,651	8,91,271	2,66,55,697
Computers and peripherals	93,300	—	—	—	93,300	13,28,038	3,99,93,163	6,97,050	4,07,17,451
Leasehold improvements	—	—	—	—	—	5,23,920	2,05,14,020	—	2,10,37,940
Total	6,153,073	17,490	59,43,853	—	2,26,710	79,52,687	49,78,33,092	33,06,321	50,27,06,168

Depreciation	As at 1 April 2014	Additions	Deletions	Adjust- ment	As at 31 March 2015	Additions	Additions on Consolidation	Deletions	As at 31 March 2016
Land (free hold)	—	—	—	—	—	—	—	—	—
Office Buildings	—	—	—	—	—	53,72,738	2,68,40,092	—	3,22,12,830
Plant & Machinery	—	—	—	—	—	12,66,512	18,26,068	—	30,92,580
Furniture and fixtures	79,920	—	—	—	79,920	9,05,584	2,30,82,391	60,287	2,40,07,608
Vehicles	—	—	—	—	—	31,11,812	1,18,59,235	14,83,945	1,34,87,102
Office equipments	8,921	9,194	—	7,152	25,267	20,77,866	2,13,29,488	7,25,495	2,27,07,126
Computers and peripherals	93,300	—	—	—	93,300	7,20,902	3,83,30,592	6,81,341	3,84,63,453
Leasehold improvements	—	—	—	—	—	41,63,591	1,20,54,272	—	1,62,17,863
Total	1,82,141	9,194	—	7,152	1,98,487	1,76,19,005	13,53,22,138	29,51,068	15,01,88,562

Carrying amounts					As at 31 March 2015				As at 31 March 2016
Land (free hold)					—				59,43,853
Office Buildings					—				30,73,07,900
Plant & Machinery					—				1,42,08,409
Furniture and fixtures					—				29,98,249
Vehicles					—				1,10,36,549
Office equipments					28,223				39,48,571
Computers and peripherals					—				22,53,998
Leasehold improvements					—				48,20,077
Total					28,223				35,25,17,606

2.11 Intangible assets

Cost	As at 1 April 2014	Additions	Deletions	Adjust- ment	As at 31 March 2015	Additions	Additions on Consolidation	Deletions	As at 31 March 2016
Trademark in process	—	—	—	—	—	—	22,000	—	22,000
Computer software	—	—	—	—	—	6,21,400	2,42,74,476	—	2,48,95,876
Painting and sculpture	—	—	—	—	—	6,00,000	5,88,840	—	11,88,840
Total	—	—	—	—	—	12,24,400	2,48,85,316	—	2,61,06,716

Amortisation	As at 1 April 2014	Additions	Deletions	Adjust- ment	As at 31 March 2015	Additions	Additions on Consolidation	Deletions	As at 31 March 2016
Trademark in process	—	—	—	—	—	—	—	—	—
Computer software	—	—	—	—	—	13,85,052	2,19,82,035	—	2,33,67,087
Painting and sculpture	—	—	—	—	—	2,07,789	3,83,405	—	5,91,194
Total	—	—	—	—	—	15,92,841	2,23,65,440	—	2,39,58,281

Carrying amounts					As at 31 March 2015				As at 31 March 2016
Trademark in process					—				22,000
Computer software					—				15,28,789
Painting and sculpture					—				5,97,646
Total					—				21,48,435

Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.12 Non - current Investments (valued at cost unless otherwise stated)

Particulars	As at	
	31 March 2016	31 March 2015
(A) Investment in Property – Other than trade		
Building (No. 42, 3rd Floor, Ahuja Towers, R.S. Puram, Coimbatore, Tamil Nadu)	13,91,009	—
Building (S-58, Panchsheel Park, New Delhi)	—	15,30,15,842
Building (Khata No. 102, Part of Khasra No. 533, Noida, Uttar Pradesh)	6,56,65,280	—
Building (Plot No. 007, Block B, Sector-41, Noida, Uttar Pradesh)	1,65,64,644	1,65,64,644
Building (Sector- 128, Noida, Gautam Budh Nagar, Uttar Pradesh)	97,14,801	—
Building (Flat No.1C, 1st Floor, Tower-13, Sankalpa, Kolkatta, West Bengal)	75,10,766	—
Building (Flat No.1D, 1st Floor Tower-13, Sankalpa, Kolkatta, West Bengal)	75,10,766	—
Less : Interest paid to related party capitalized	4,44,197	—
Net Total (i)	10,79,13,069	16,95,80,486
(B) Equity Shares – Other than trade		
Investment in Others		
(i) Quoted		
Indo Korea Exports Limited [3,89,600 (previous year Nil) equity shares of Rs. 10 fully paid up]	38,96,000	—
Almondz Global Securities Limited (AGSL) [Nil*, previous year 1,28,58,814 equity shares of Rs. 6 fully paid up]	—	34,88,86,082
International Paper APPM Limited [1,41,650 (Previous year Nil) equity shares of Rs. 10 fully paid up]	4,19,16,358	—
Shaily Engineering Plastic Limited [300 (previous year Nil) equity shares of Rs. 10 fully paid up]	1,68,359	—
Ritesh Polyster Limited [34,600 (previous year Nil) equity shares of Rs. 10 fully paid up]	5,23,860	—
Ecoplast India Limited [2,500 (previous year 2,500) equity share of Rs. 1 fully paid up]	20,000	—
Vantech Industries Limited [3,000 (previous year Nil) equity shares of Rs.10 fully paid up]	30,000	—
Total	4,65,54,577	34,88,86,082
Less Provision for diminution in value of investments	44,69,860	—
Add : Profit / (loss) of associates	—	11,78,10,770
Net Total (ii)	4,20,84,717	46,66,96,852

* The no. of shares in AGSL as on 31 March 2016 is 1,38,76,669 but as it became subsidiary of company hence investment is being shown nil.

Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.12 Non - current Investments (valued at cost unless otherwise stated) (Contd..)

Particulars	As at	
	31 March 2016	31 March 2015
(ii) Unquoted		
Dijit Prognosys Private Limited [3,000 (previous year Nil) equity shares of Rs. 100 fully paid-up]	3,00,000	—
N1 Media Consultancy Private Limited [7,844 (previous year Nil) equity shares of Rs. 10 fully paid-up]	30,00,000	—
Globus Industries & Services Limited [10,000 (previous year 10,000) equity shares of Rs. 100 fully paid-up]	1,00,000	1,00,000
Carya Chemicals & Fertilizers Private Limited [29,50,000 (previous year Nil) equity shares of Rs. 10 each]	2,95,00,000	—
Almondz Insurance Brokers Private Limited [13,77,000* (previous year 9,18,000) equity shares of Rs. 10 fully paid-up]	11,38,89,400	11,38,89,400
Shivsathi Niketan Limited [26,000 (previous year 26,000) equity shares of Rs. 10 fully paid-up]	2,60,000	2,60,000
Shivaz Spas & hospitality Private Limited [20,000 (previous year 20,000) equity shares of Rs. 10 fully paid-up]	2,00,000	2,00,000
New Age Blocks Private Limited [1,35,000 (previous year Nil) equity shares of Rs. 10 fully paid-up]	13,50,000	—
Premier Alcobev Private Limited [1,38,15,000 (previous year Nil) equity shares of Rs. 10 fully paid-up]	13,81,50,000	—
Almondz Commodities Private Limited [Nil (previous year 2,50,000) equity shares of Rs. 10 each fully paid-up]	—	25,00,000
Yug Infrastructures Private Limited [15,00,000 (previous year 15,00,000) equity shares of Rs. 10 fully paid-up]	1,50,00,000	1,50,00,000
Shriram New Horizons India Limited (formerly New Horizon India Limited) [4,00,000 (previous year Nil) equity shares of Rs. 10 fully paid-up]	2,00,00,000	—
Total	32,17,36,900	13,19,49,400
Less : Provision for diminution in value of investment	35,13,700	12,51,700
Add : Profit from associates	14,21,085	67,084
Net Total (iii)	31,96,56,785	13,07,64,784
(C) Other non-current investment		
Painting & Sculpture	11,82,978	11,82,978
National Saving Certificates	23,000	23,000
Total	12,05,978	12,05,978
Less : Provision for diminution in value of investments	23,000	23,000
Net Total (iv)	11,82,978	11,82,978
Net Total (i+ii+iii+iv)	47,08,37,549	76,82,25,100
Aggregate book value of quoted investments (net of provisions)	4,20,84,717	46,66,96,852
Market value of quoted investments	4,19,56,770	13,58,57,547
Aggregate book value of unquoted investments (net of provisions)	42,87,52,832	30,15,28,248

* Including 4,59,000 bonus shares.

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.13 Deferred tax assets (net)

Particulars	As at	
	31 March 2016	31 March 2015
Deferred tax asset		
Provision for doubtful debts	4,76,020	—
Provision for diminution in value of investments	45,42,772	—
Difference in the written down value of fixed assets as per the Companies Act, 2013 and the Income-Tax Act, 1961	4,71,254	5,30,736
Unabsorbed capital loss and unabsorbed depreciation	30,53,842	32,14,451
Provision for employee benefits	29,03,178	83,266
Others	20,55,560	—
Contingent provision on standard assets	85,954	15,099
Total deferred tax asset	1,35,88,540	38,43,552
Deferred tax liability		
Difference in the written down value of fixed assets as per the Companies Act, 2013 and the Income-Tax Act, 1961	51,31,704	—
Total deferred tax liability	84,56,876	—
Deferred tax asset / (liability) recognised (net) *	47,32,584	—
Deferred tax charged / (credit) to Statement of Profit and Loss	12,32,222	—
Deferred tax assets not recognised (net)	2,33,96,381	38,43,552

* The "Group" has carried out computation of deferred tax in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified in the Companies (Accounting Standards) Rules, 2006. The deferred tax assets of Rs. 47,32,584 disclosed in the consolidated financial statement represents deferred tax asset consolidated on a line by line basis.

2.14 Long term loans & advances

Particulars	As at	
	31 March 2016	31 March 2015
Capital advances	15,26,420	79,66,857
Security deposits	61,98,620	—
Rental deposits	13,57,800	—
Security deposits with stock exchanges	3,32,00,000	—
Loans to staff	10,49,700	—
Prepaid expenses	1,95,503	—
MAT credit available	—	5,10,697
Advance income-tax and tax deducted at source [Net of provision of Rs. 3,40,95,120 (previous year Nil)]	5,71,45,342	—
Total	10,06,73,385	84,77,554

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.15 Other non-current assets

Particulars	As at	
	31 March 2016	31 March 2015
Long-term deposits with maturity of more than 12 months *	2,78,25,163	9,06,000
Total	2,78,25,163	9,06,000

* Breakup of Long-term deposits with maturity of more than 12 months are as under :

Particulars	As at	
	31 March 2016	31 March 2015
Pledged with Jaipur Stock Exchange	2,02,995	—
Pledged with banks as margin money against Bank Guarantee	54,06,548	—
Pledged with banks as margin money against Overdraft Facility	33,00,000	—
Pledged with NCDEX	43,75,000	—
Pledged with MCX	25,00,000	—
Other deposits	1,20,40,620	9,06,000
Total	2,78,25,163	9,06,000

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Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.16 Inventories

Particulars	As at	
	31 March 2016	31 March 2015
Equity shares - quoted	2,82,50,953	36,58,062
Corporate, Central Government and State Government Bonds	27,17,87,635	—
Spectacles & Consumables	9,32,127	—
Total	30,09,70,715	36,58,062

Break-up of Inventories held as at 31 March 2016 is as follows :

Particulars	Nos.	Amount
Equity Shares		
Shaily Engineering Plastics Limited	16,200	54,18,586
Zee Media Corporation Limited	2,15,000	32,20,000
Gabriel India Limited	10,000	8,95,500
Dunlop India Limited	1,057	1,111
Magma Fincorp Limited	10,000	5,48,708
Starlite Technologies Limited	10,167	9,21,130
Elder Pharmaceuticals Limited	200	7,530
International Paper APPM Limited	47,295	1,63,46,441
Other Shares	32,308	8,91,947
Bonds		
7.35% NABARD Tax Free	751	7,65,950
10.00% India Bulls HSG Finance 2025	642	7,75,00,555
8.39% PFC 2025	1,000	5,01,00,000
8.58% Uttar Pradesh SDL 2026	500	5,13,35,000
9.34% HDFC Limited 2024	500	5,27,01,250
8.53% Uttar Pradesh SDL 2026	450	3,93,66,250
Others	200	18,630
Spectacles		2,09,926
Consumables		7,22,201
Total		30,09,70,715

Break-up of Inventories held as at 31 March 2015 is as follows :

Particulars	Nos.	Amount
Equity Shares		
Elder Pharmaceuticals Limited	200	22,360
National Building Construction Company Limited	1,000	9,57,550
Geometric Limited	2,000	3,34,000
Whirlpool of India Limited	1,000	7,35,350
Andhra Pradesh Paper Mills Limited	5,173	16,08,802
Total		36,58,062

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.17 Trade receivables

Particulars	As at	
	31 March 2016	31 March 2015
Secured, considered good		
Outstanding for more than six months	40,68,757	22,500
Other debts	8,01,34,622	54,280
Total (a)	8,42,03,379	76,780
Unsecured, considered good		
Outstanding for more than six months	68,11,604	—
Other debts	27,61,30,167	—
Total (b)	28,29,41,771	—
Unsecured, considered doubtful		
Outstanding for more than six months	13,68,528	—
Less : Provision for doubtful debts	13,68,528	—
Total (c)	—	—
Total (a+b+c)	36,71,45,150	76,780

2.18 Cash and cash equivalents

Particulars	As at	
	31 March 2016	31 March 2015
Cash and cash equivalents		
Cash in hand	63,23,938	3,04,432
Cheques / drafts in hand	1,18,03,080	—
Balances with banks in current accounts	5,65,76,011	25,09,636
Deposits with maturity of less than 3 months	8,42,729	431,697
Total cash and cash equivalents (a)	7,55,45,758	32,45,765
Other bank balances		
Unpaid dividend account	4,71,317	—
Total other bank balances (b)	4,71,317	—
Total (a+b)	7,60,17,075	32,45,765

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AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

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

Particulars	As at	
	31 March 2016	31 March 2015
Loans to Body Corporate		
Secured, considered good	2,95,00,000	—
Unsecured, considered good	29,55,58,619	25,00,000
Loans to Others	70,00,000	1,28,00,000
Security deposits-stock exchange	17,00,000	—
Security deposits-others	53,58,835	—
Security deposits-rentals	19,81,866	—
Loans to employees	9,45,400	80,000
Balance with statutory / government authorities	17,57,534	2,15,403
Prepaid expenses	54,59,671	16,819
Advance income tax / tax refundable (Net of provision)	1,07,65,643	12,03,335
Advances for rendering services	1,04,31,647	—
Advance to related party	—	1,34,95,774
Capital advance	17,56,43,116	—
Other recoverable	1,53,39,485	—
Total	56,14,41,816	3,03,11,331
Less : Provision for doubtful security deposits	2,96,83,333	—
Less : Provision for Non-performing assets	1,00,000	—
Total	53,16,58,483	3,03,11,331

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

Particulars	As at	
	31 March 2016	31 March 2015
Interest accrued on loan	82,79,003	29,82,633
Less : provision of non-performing assets	1,42,603	1,42,603
	81,36,400	28,40,030
Deposits with maturity of more than 3 months but less than 12 months *	12,56,18,763	—
Interest accrued on bonds	87,53,877	—
Interest accrued on loans / fixed deposit	—	7,16,970
Interest accrued but not due	97,21,995	14,258
Unbilled revenue	3,85,422	7,620
Other advances	5,88,500	6,000
Total	15,32,04,957	35,84,878

Bank deposits with maturity of more than 3 month includes:

Particulars	As at	
	31 March 2016	31 March 2015
Deposit with banks as margin money for bank guarantee submitted with Stock exchange	5,67,00,000	—
Deposits earmarked by management for settlement of certain statutory liabilities	55,00,000	—
Deposit with banks held as margin money against bank guarantee	70,16,560	—
Deposit with banks held as margin money against bank overdraft facility	5,35,52,203	—
Deposit with bank held as margin with exchange	18,00,000	—
Other deposit	10,50,000	—
Total	12,56,18,763	—

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.21 Revenue from operations

Particulars	for the year ended	
	31 March 2016	31 March 2015
Advisory and consultancy fees	26,25,96,819	44,000
Sale of spectacles	13,24,687	—
Broking activities	13,43,17,071	—
Interest income on loan	3,16,18,080	32,64,836
Net gain/(loss) in trading of bonds (Refer 2.21(a))	3,33,88,323	26,272
Profit/(loss) on derivatives	(3,60,45,749)	60,86,491
Net gain/(loss) in trading of shares (Refer 2.21 (b))	1,30,72,602	82,73,257
Other operating income (Refer 2.21(c))	3,51,87,687	2,71,79,842
Rent Received	6,05,240	—
Total	47,60,64,760	4,48,74,698

2.21 (a) Net results in trading of bonds :

Particulars	for the year ended	
	31 March 2016	31 March 2015
Trading of bonds		
Opening stock of bonds	66,86,28,870	—
Add : Cost of bonds purchased	6,64,02,99,269	65,82,657
	7,30,89,28,139	65,82,657
Less : Closing stock of bonds	27,17,87,635	—
Cost of bonds sold	7,03,71,40,504	65,82,657
Less : Sale of bonds	7,07,05,28,827	66,08,929
Net gain / (loss) in trading of bonds	3,33,88,323	26,272

2.21 (b) Net results in trading of shares :

Particulars	for the year ended	
	31 March 2016	31 March 2015
Trading of shares		
Opening stock of shares	3,72,41,657	66,16,801
Add : Cost of shares purchased	30,40,08,185	9,67,88,454
	34,12,49,842	10,34,05,255
Less : Closing stock of shares	2,82,50,953	36,58,062
Cost of shares sold	31,29,98,889	9,97,47,193
Less : Sale of shares	32,60,71,491	10,80,20,450
Net gain / (loss) in trading of shares	1,30,72,602	82,73,257

2.21 (c) Other operating income :

Particulars	for the year ended	
	31 March 2016	31 March 2015
Delayed payment charges	1,38,32,679	—
Ancillaries activities of broking	63,757	—
Processing fee & Others	5,00,000	—
Interest on fixed deposits pledged with exchanges *	77,21,961	—
Dividend income	1,30,69,290	2,71,79,842
Total	3,51,87,687	2,71,79,842

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

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.22 Other income

Particulars	for the year ended	
	31 March 2016	31 March 2015
Interest income on		
- Bank deposits	69,74,817	85,456
- Others	10,47,594	—
Net gain on sale of investments	3,62,10,202	10,75,869
Rent received	2,34,01,252	—
Excess provision on employee benefit no longer required written back	60,875	—
Excess provision written back	15,60,273	—
Provision for doubtful debts written back	21,78,857	61,800
Liabilities no longer required written back	17,43,906	—
Interest received on Income Tax refund	2,13,879	—
Miscellaneous income	2,17,618	29,174
Profit on sale of fixed asset	29,281	—
Total	7,36,38,554	12,52,299

2.23 Employee benefits expenses

Particulars	for the year ended	
	31 March 2016	31 March 2015
Salaries, wages and bonus	19,26,39,170	22,28,762
Contribution to provident and other funds	37,80,922	55,811
Gratuity and leave encashment	32,89,662	1,59,366
Staff welfare expense	43,84,011	11,271
Total	20,40,93,765	24,55,210

2.24 Finance Cost

Particulars	for the year ended	
	31 March 2016	31 March 2015
Interest expense	4,22,90,405	28,45,801
Other borrowing cost	2,67,789	—
Total	4,25,58,194	28,45,801

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Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.25 Other expenses

Particulars	for the year ended	
	31 March 2016	31 March 2015
Advance / debit balances written off	15,968	—
Advertisement expenses	6,62,461	1,554
Bad debts written off	43,91,478	61,800
Bank & processing charges	54,36,364	9,554
Business promotion expense	39,81,246	—
Charity and donations	13,96,100	—
Contingent provision on standard assets	2,18,387	12,572
Communication expenses	1,09,96,267	2,01,248
Commission and brokerage	6,07,36,294	—
Repair and maintenance :		
- Computer maintenance	21,56,420	—
- Building	1,31,376	—
- Office maintenance	59,89,054	—
- Vehicle repair and maintenance	23,45,057	—
Rent	1,77,45,335	—
Provision for non performing assets	2,30,33,000	—
Professional charges	6,33,63,547	7,000
Electricity, generator and water charges	82,37,798	3,910
Expenditure on CSR activities	1,85,000	—
Travelling and conveyance expenses	1,25,41,160	71,252
Insurance charges	7,94,928	—
Fine & penalty	79,279	—
Fixed assets written off	1,63,811	—
Rates and taxes	56,32,566	23,95,639
Printing and stationery	31,35,967	2,85,888
Legal and professional charges ¹	3,18,37,117	32,60,197
Loss on error trades	92,668	—
SEBI and stock exchange fee and charges	16,60,966	—
Membership and subscription	29,05,720	2,35,203
Interest on tax deducted at source	1,46,443	—
Consumables	12,16,826	—
Miscellaneous expenses	32,69,226	60,889
Total	27,44,97,829	66,29,706

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

Particulars	for the year ended	
	31 March 2016	31 March 2015
Statutory Audit fee	98,000	1,01,371
Certification fee	96,000	98,000
Tax audit fee	20,000	20,000
Total	2,14,000	2,19,371

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.26 Earnings per share

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

Particulars	for the year ended	
	31 March 2016	31 March 2015
Net profit / (loss) after tax available for equity shareholders (A)	18,28,348	7,06,32,343
Weighted average number of equity shares for Basic EPS (Face value of Rs. 10 each) (B)	2,56,50,280	2,33,91,448
Weighted average number of equity shares for diluted EPS (Face value of Rs. 10 each) (C)	2,56,50,280	2,33,91,448
Basic EPS (A/B)	0.07	3.02
Diluted EPS (A/C)	0.07	3.02

2.27 Contingent Liabilities

	Particulars	As at	
		31 March 2016	31 March 2015
1	Suit filed by clients for recovery on account of unauthorised trades on stock exchanges / deficiency in services. These matters are pending before various dispute resolution authorities.	1,52,546	—
2	Suit filed by previous employees for recovery of their dues from Company. These matters are pending before various courts.	1,85,700	—
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007 and 31 March 2008. Appeal filed with Service Tax Tribunal, R. K. Puram, New Delhi. Hearing awaited.	64,44,100	—
4	Show cause notice for service tax demand in relation to the financial years ended 31 March 2006 till the financial year ended 31 March 2009. Reply filed with Assistant Commissioner of Service Tax, M G Road, New Delhi, Hearing awaited.	12,72,868	—
5	Corporate guarantee issued by company/subsidiary to secure credit facilities to subsidiary/subsidiaries.	62,50,00,000	27,50,00,000
6	Corporate Guarantee issued for Skiffle Healthcare Services Limited, a wholly owned subsidiary of the Company.	98,08,000	—
7	Bank Guarantees (net of fixed deposits)	4,51,00,000	—
8	Income-tax demand raised by assessing officer in respect of financial year ended 31 March 2008. Appeal filed with Commissioner of Income Tax in New Delhi.	35,14,390	—
	Total	69,14,77,604	27,50,00,000

2.28 Commitments

Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 61,05,680 (previous year Rs. Nil).

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.29 Details of income and expenditure in foreign currency :

Income earned in foreign currency

	Particulars	for the year ended	
		31 March 2016	31 March 2015
1	Professional fee	—	—
	Total	—	—

Expenditure incurred in foreign currency

	Particulars	for the year ended	
		31 March 2016	31 March 2015
1	Director sitting fee	—	15,000
	Total	—	15,000

2.30 Related Party Disclosure

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

(i) **Subsidiary**

Almondz Infosystem Private Limited
Express Infra Financial Consultancy Private Limited (till 16 August 2015)
Glow Apparels Private Limited
Anemone Holdings Private Limited
Apricot Infosoft Private Limited
Avonmore Developers Private Limited
Latitude 23 Communication Limited
Red Solutions Private Limited
Almondz Global Securities Limited (AGSL) (w.e.f. 1 April 2015)

(ii) **Temporary Subsidiary (not included in Consolidation as per AS-21)**

Almondz Insurance Brokers Private Limited (AIBPL) (w.e.f. 1 January 2014) *
Shivsathi Niketan Limited (SNL)

* Almondz Reinsurance Brokers Private Limited (ARBPL) which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL w.e.f. 22, December, 2015.

(iii) **Associates**

Almondz Global Securities Limited (AGSL) (till 31.03.2015)
New Age Blocks Private Limited (NABPL)
Yug Infrastructures Private Limited (YIPL)
Carya Chemicals & Fertilizers Private Limited
Shivaz Spas & Hospitality Private Limited (SSHPL)

(iv) **Key Managerial Personnel**

Mr. Ashok Kumar Gupta - (Managing Director)
Mr. Sagar Gupta - Company Secretary (w.e.f. 2 May 2016)
Ms. Shruti Aggarwal - Chief Financial Officer
Ms. Reema Sachdeva - Company Secretary (upto 30 September 2014)
Mr. Kunal Madaan - Company Secretary (upto 29 February 2016)

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.30 Related Party Disclosure (Contd.)

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

For the year ended 31 March 2016

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

Particulars	AIBPL	SNL	Ashok Kumar Gupta	Kunal Madaan	Shruti Aggarwal
Income					
Sale of bonds	—	—	—	—	—
Dividend received	1,30,08,060	—	—	—	—
Recovery of expenses	—	—	—	—	—
Expenditure					
Remuneration	—	—	16,61,100	1,98,755	2,56,984
Purchase of bonds	—	—	—	—	—
Assets / Liabilities					
Closing balances					
Trade receivable	—	—	—	—	—
Expenses Payable	—	—	—	—	—
Non-Current investment	11,38,89,440	2,60,000	—	—	—

For the year ended 31 March 2015

2. Transactions with investing parties in respect of which the Company is an associate and Key managerial personnel :

Particulars	AGSL	AIBPL	ACPL	AFL	SNL	IMMPL	YIPL	Shruti Aggarwal	Ashok Kumar Gupta	Reema Sachdeva	Kunal Madaan	SSHPL
Income												
Sale of bonds	21,96,983	—	—	41,63,017	—	—	—	—	—	—	—	—
Interest income	—	—	92,465	—	—	—	—	—	—	—	—	—
Brokerage paid	4,22,196	—	—	—	—	—	—	—	—	—	—	—
Sale of investment	15,00,000	—	—	—	—	—	—	—	—	—	—	—
Dividend received	—	—	2,70,81,000	—	—	—	—	—	—	—	—	—
Delayed payment charges	9,665	—	—	—	—	—	—	—	—	—	—	—
Depository charges	12,558	—	—	—	—	—	—	—	—	—	—	—
Expenditure												
Purchase of investment	—	—	—	—	2,60,000	—	—	—	—	—	—	—
Remuneration	—	—	—	—	—	—	—	2,04,566	16,30,200	90,600	90,968	—
Purchase of bonds	—	—	—	63,60,000	—	—	—	—	—	—	—	—
Assets / Liabilities												
Advance received	—	—	—	—	—	3,00,000	—	—	—	—	—	—
Advance received repayment	—	—	—	—	—	3,00,000	—	—	—	—	—	—
Loan granted	—	—	—	—	—	—	30,00,000	—	—	—	—	—
Repayment of loan granted	—	—	10,00,000	—	—	—	76,00,000	—	—	—	—	—
Closing balances												
Trade receivable	1,34,95,396	—	—	—	—	—	—	—	—	—	—	—
Non-Current investment	34,88,86,081	11,38,89,400	25,00,000	—	2,60,000	—	—	—	—	—	—	2,00,000

Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.31 Segment Reporting :
For the year ended 31 March 2016

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Infra-structure advisory	Finance activities	Investment activities	Broking activities	Commodity broking operation	Health care Services	Other	Unallocable	Total
Segment Revenue											
Segment Revenue	1,04,76,406	7,60,98,804	16,19,91,078	3,21,18,081	1,30,08,060	15,14,97,047	19,58,791	2,81,65,254	7,05,240	—	47,60,18,761
Segment Results											
Segment Results	(1,46,92,269)	2,27,04,537	4,79,51,118	71,65,259	1,15,09,303	94,66,666	(67,429)	86,89,890	12,17,708	—	9,39,44,783
Less : Unallocable expenses (net)	—	—	—	—	—	—	—	—	—	4,11,89,454	4,11,89,454
Less : Interest expenses	1,56,92,111	89,047	2,23,158	15,53,638	—	8,45,662	1,792	8,19,496	—	2,30,65,499	4,22,90,403
Profit / (Loss) before tax	(3,03,84,380)	2,26,15,490	4,77,27,960	56,11,621	1,15,09,303	86,21,004	(69,221)	78,70,394	12,17,708	(6,42,54,953)	1,04,64,926
Less : Provision for tax for the Year	—	—	2,95,858	—	—	13,153	—	27,708	1,91,522	90,62,920	95,91,161
Net Profit / (Loss) after tax	(3,03,84,380)	2,26,15,490	4,74,32,102	56,11,621	1,15,09,303	86,07,851	(69,221)	78,42,686	10,26,186	(7,33,17,873)	8,73,765
Other Information											
Segmental assets	38,29,44,223	2,47,32,218	12,37,90,822	32,14,68,882	11,55,16,565	24,89,67,733	16,95,89,624	3,96,40,390	18,12,99,785	78,29,44,425	2,39,08,94,667
Segmental liabilities	21,11,09,332	78,59,033	2,85,67,211	74,25,181	—	8,54,87,770	15,49,49,622	82,92,404	5,62,407	29,23,58,967	79,66,11,927
Capital expenditure	3,00,000	3,00,000	42,08,455	—	—	3,97,730	—	16,77,045	24,351	22,66,506	91,74,087
Depreciation	49,210	49,210	5,63,317	—	—	2,36,618	—	18,37,339	2,228	1,64,73,924	1,92,11,846
Non cash expenditure other than depreciation (net of non-cash income)	(48,760)	(2,80,090)	24,22,752	2,33,51,387	(10,38,000)	(28,73,111)	1,10,674	1,70,442	—	20,02,774	2,38,18,068

For the year ended 31 March 2015

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Finance activities	Investment activities	Unallocable	Total
Segment Revenue						
Segment Revenue	1,43,86,020	61,800	32,64,836	2,82,55,711	—	4,59,68,367
Segment Results						
Segment Results	1,21,86,020	—	32,64,836	2,82,55,711	—	4,37,06,567
Less : Unallocable expenses (net)	—	—	—	—	66,77,818	66,77,818
Less : Interest expenses	—	—	28,45,801	—	—	28,45,801
Profit / (Loss) before tax	1,21,86,020	—	4,19,035	2,82,55,711	(66,77,818)	3,41,82,948
Less : Provision for tax for the Year	—	—	—	—	18,44,408	18,44,408
Net Profit / (Loss) after tax	1,21,86,020	—	4,19,035	2,82,55,711	(85,22,226)	3,23,38,540
Other Information						
Segmental assets	36,58,062	—	1,89,99,604	47,99,97,933	31,59,16,815	81,85,72,415
Segmental liabilities	8,10,000	—	14,39,203	—	65,23,511	87,72,714
Capital expenditure	—	—	—	—	17,490	17,490
Depreciation	—	—	—	—	9,194	9,194
Non cash expenditure other than depreciation (net of non-cash income)	—	—	—	12,572	—	1,83,089

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.31 Segment Reporting (Contd.)

Notes :

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

- **Debt and equity market operations** comprises dealing / trading in securities and bonds which involves exposure to market risk.
- **Corporate finance and advisory** comprises merchant banking, underwriting commission, corporate and infrastructure advisory and loan syndication fees and arranger of debts/bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Broking activities** comprises stock and share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services and comprises broking and commission of mutual funds, equity initial public offerings, capital gain bonds, fixed deposits of government undertakings and RBI taxable bonds, etc. These are mainly in the nature of services involving no or negligible risk and Real Estate broking activities.
- **Commodity broking** operations primarily involves facilitating trades by customers in the various commodity exchanges in the country.
- **Finance activities** comprises granting of loans.
- **Infrastructure advisory** comprises advisory services in relation to infrastructure projects mainly in the nature of services involving no or negligible risk.
- **Healthcare Services** comprises to establish, administer, own & run the eye care hospitals.
- **Investment activities** comprises of profit on sale of investment.
- **Others** involves the business which are not reportable segment during the year, which mainly comprises of healthcare services.

(II) **Accounting policies for segment reporting**

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

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AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
Notes to the consolidated financial statements (Contd..)
(Amounts in Indian Rupees)
2.32 Statement of Net Assets and Profit or Loss attributable to owners and minority interest
As at 31 March 2016

	Name of Entity	Reporting Currency	As % of consolidated net assets	Net Assets i. e. total assets minus total liabilities	As % of consolidated profit or (loss)	Share in profit or (loss)
A.	Parent					
	Avonmore Capital & Management Services Limited	INR	34.06%	70,88,32,616	156.64%	1,42,33,916
B.	Indian Subsidiaries					
1	Glow Apparels Private Limited	INR	0.93%	1,94,53,142	(0.71%)	(64,191)
2	Almondz Global Securities Limited	INR	60.13%	1,25,14,62,184	(43.41%)	(39,44,405)
3	Express Infra Financial Consultancy Private Limited	INR	0.00%	—	(1.06%)	(96,186)
4	Anemone Holdings Private Limited	INR	0.00%	61,770	(0.28%)	(25,043)
5	Apricot Infosoft Private Limited	INR	1.42%	2,95,40,346	(4.97%)	(4,51,712)
6	Avonmore Developers Private Limited	INR	4.03%	8,38,90,884	(6.69%)	(6,08,013)
7	Latitude 23 Communications Limited	INR	0.01%	2,95,831	(0.19%)	(17,044)
8	Red Solutions Private Limited	INR	(0.62%)	1,28,06,544	0.61%	55,636
9	Almondz Info system Private Limited	INR	0.02%	4,92,448	0.04%	3,884
	TOTAL		100%	2,08,12,22,677	100%	90,86,842
C.	Adjustment due to consolidation			(1,08,20,88,376)		(82,00,878)
	Minority Interest in Subsidiary			59,51,48,440		4,05,427
	Indian Subsidiaries					
D.	Associates					
	Indian					
1	Carya Chemicals Private Limited	INR		7,19,60,162		(25,112)
2	Yug Infrastructures Private Limited	INR		3,36,86,070		4,87,913
3	New Age Blocks Private Limited	INR		41,44,326		46,503
4	Premier Alcobev Private Limited	INR		27,83,58,220		8,38,507

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements (Contd..)

(Amounts in Indian Rupees)

2.32 Statement of Net Assets and Profit or Loss attributable to owners and minority interest (Contd.)

As at 31 March 2015

	Name of Entity	Reporting Currency	As % of consolidated net assets	Net Assets i. e. total assets minus total liabilities	As % of consolidated profit or (loss)	Share in profit or (loss)
A.	Parent					
	Avonmore Capital & Management Services Limited	INR	78.48%	69,45,98,700	105.62%	3,42,40,290
B.	Indian Subsidiaries					
1	Glow Apparels Private Limited	INR	2.21%	1,95,17,333	(1.36%)	(4,40,924)
2	Express Infra Financial Consultancy) Private Limited	INR	17.57%	15,55,01,243	(3.23%)	(10,46,275)
3	Anemone Holdings Private Limited	INR	0.01%	86,813	(0.04%)	(13,187)
4	Apricot Infosoft Private Limited	INR	0.01%	92,058	(0.02%)	(7,942)
5	Avonmore Developers Private Limited	INR	1.64%	1,44,98,897	(0.96%)	(3,10,166)
6	Latitude 23 Communications Limited	INR	0.04%	3,12,875	(0.06%)	(20,096)
7	Almondz Info system Private Limited	INR	0.06%	4,88,564	0.05%	16,487
	TOTAL		100.00%	88,50,96,483	100.00%	3,24,18,187
C.	Adjustment due to consolidation			(7,52,93,572)		(79,647)
	Minority Interest in Subsidiary					
	Indian Subsidiaries			Nil		Nil
D.	Associates					
	Indian					
1	Almondz Global Securities Limited	INR		1,25,59,77,574		3,79,28,644
2	Yug Infrastructures Private Limited	INR		3,36,86,070		3,65,159

As per our report of even date attached
For **H. K. CHHABRA & Co.**,
Chartered Accountants
Firm Registration No. 010917N

For and on behalf of Board of Directors
Avonmore Capital & Management Services Limited

H. K. CHHABRA
Proprietor
FCA – Membership No. 089616
Place : New Delhi
Date : 28 May, 2016

Sagar Gupta
Company Secretary
ACS : A42611

Shruti Aggarwal
Chief Financial Officer
PAN : AQCPA2518D

Govind Prasad Agrawal
Director
DIN : 00008429

Ashok Kumar Gupta
Managing Director
DIN : 02590928

Amount in Rs. (Lacs)

	Particulars	Amount
(4)	Break - up of Investments	
	Current Investments :	
	(1) Quoted :	
	(i) Shares : (a) Equity	52.53
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others	—
	(2) Unquoted :	
	(i) Shares : (a) Equity	—
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others	—
	Long Term Investments :	
	(1) Quoted :	
	(i) Shares : (a) Equity	3,584.33
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others	—
	(2) Unquoted :	
	(i) shares : (a) Equity	2,502.52
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others (Painting & Sculpture)	11.83
	Total	6,151.21

Amount in Rs. (Lacs)

Particulars				
(5)	Borrower group - wise classification of assets financed as in (2) and (3) above :			
	Category	Amount net of provision		
		Secured	unsecured	Total
	(1) Related Parties			
	(a) Subsidiaries	—	925.00	925.00
(b) Companies in the same group	—	—	—	
(c) Other related parties	—	—	—	
(2) Other than related parties	—	70.00	70.00	
Total	—	995.00	995.00	

(6)	Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
	Category	Market Value / Break up or fair value of NAV	Book Value (net of Provisions)
	(1) Related Parties		
	(a) Subsidiaries	1,429.29	3,584.33
	(b) Companies in the same group	—	—
	(c) Other related parties	2,501.84	2,501.84
(2) Other than related parties	65.04	65.04	
Total	3,996.17	6,151.21	

(7)	Other information	
	Particulars	Amount
	(i) Gross Non - Performing Assets	
	(a) Related Parties	—
	(b) Other than related Parties	1.43
	(ii) Net Non - Performing Assets	
	(a) Related Parties	—
	(b) Other than related Parties	—
(iii) Assets acquired in satisfaction of debt	—	