


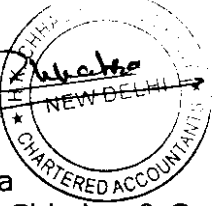



Avonmore Capital & Management Services Ltd.

(Formerly Almondz Capital & Management Services Ltd.)

FORM A

1.	Name of the Company	Avonmore Capital & Management Services Ltd. (Formerly Almondz Capital & Management Services Ltd)
2.	Annual Financial Statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by  Ashok Kumar Gupta Managing Director  Shruti Aggarwal CFO   H.K. Chhabra Partner H.K. Chhabra & Co. Statutory Auditors  Ajay Kumar Chairman Audit Committee	

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

(formerly Almondz Capital & Management Services Limited)

Corporate Identity Number (CIN) : L67190DL1991PLC045857

Regd. Office : 2nd Floor, 3, Scindia House, Janpath, New Delhi - 110 001

Tel : 011-32947374; Fax : 011-41514665; Website : www.avonmorecapital.in; email id : delhi@almondz.com

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED (Formerly Almondz Capital & Management Services Limited) will be held on Monday, the 29th day of September, 2014, at 12.30 P. M. at M. P. C. U. Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi-110 054 to transact the following business :

ORDINARY BUSINESS :

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

“RESOLVED THAT the Audited Balance Sheet as at 31 March 2014, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, together with Directors’ Report and Auditors’ Report thereon as presented to the meeting, be and are hereby, approved and adopted.”

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

“RESOLVED THAT Mr. Govind Prasad Agrawal (DIN : 00008429), Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company.”

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

“RESOLVED THAT the Auditors of the Company, M/s H.K. Chhabra & Co., Chartered Accountants, who retire at this Meeting, being eligible and willing to act as Auditors, be and are hereby, re-appointed as the Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors of the Company.

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Chand Krishan Tikku (DIN : 00479477), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold the office for a term upto five consecutive years commencing from 29th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shyam Sunder Lal Gupta (DIN : 00044635), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold the office for a term upto five consecutive years commencing from 29th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajay Kumar (DIN.01954049), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold the office for a term upto five consecutive years commencing from 29th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other provisions of applicable law/rules and subject to the approval/ consent of such appropriate authorities, as may be required, under any statute for time being in force, consent of the Company be and is hereby accorded to the Board of Directors of the Company {hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution} for entering into related party transactions by the company by way of investment / disinvestment / providing any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt and/or provide inter corporate loan(s) or a combination thereof, availing or rendering of any services, or any other transactions of whatever nature with related parties with effect from 1st April, 2014 up to the maximum per annum for the year 2014-15 and further years to holding/subsidiary and associate companies as provided in the table provided in and forming part of the Explanatory statement.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment / disinvestment / loan(s) / guarantee(s) / security(ies) including the timing, the amount and other terms and conditions of such investment / disinvestment/ loan(s) / guarantee(s) / security(ies) and further including variation of such timing, amount, terms, conditions etc. as it may, in its absolute discretion, deem appropriate for the purpose of giving effect to this Resolution.”

By Order of the Board of Directors
For **Avonmore Capital & Management Services Limited**
(formerly *Almondz Capital & Management Services Limited*)

New Delhi
14th August, 2014

Reema Sachdeva
Company Secretary

NOTES :

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 4 to 7 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ON A POLL ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN WRITING, SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
3. Members are requested to bring their copy of Annual Report for the year ended March 31, 2014 to the Meeting.
4. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.

6. Members who hold shares in the Dematerialised form, are requested to write their Client ID and DP ID Numbers and those who hold shares in the Physical form are requested to write their Folio Numbers in the Attendance Slip for attending the Meeting.
7. All documents referred to in the accompanying Notice shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Register of Members and Share Transfer Register shall remain closed from 22 September 2014 to 29 September 2014 (both days inclusive).
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Members are requested to intimate the Registrars and Share Transfer Agents of the Company - M/s Beetal Financial & Computer Services (P) Ltd. "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in Dematerialised form.
11. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company are provided in Annexure A of this Notice.
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the Financial year 2005-06, on due date, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 2309.2013 (date of last Annual General Meeting) in Form 5INV on the website of the Ministry of Corporate Affairs. Dividend amounts for the Financial Year 2006-07 remaining unpaid or unclaimed shall be transferred to the IEPF on or before due date.
13. Members having unclaimed dividends pertaining to the financial year 2006-07 and who have not encashed their dividend warrants are advised to contact the Company or the Registrar and Share Transfer Agents of the Company – M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.
14. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
16. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

By Order of the Board of Directors
For **Avonmore Capital & Management Services Limited**
(formerly *Almondz Capital & Management Services Limited*)

New Delhi
14th August, 2014

Reema Sachdeva
Company Secretary

Explanatory Statement

(Pursuant to Provisions of Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice

Item Nos. 4 to 6 :

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Chand Krishan Tikku, Mr. Shyam Sunder Lal Gupta and Ajay Kumar, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of these directors as Independent Directors from September 29, 2014 up to September 28, 2019.

Mr. Chand Krishan Tikku, Mr. Shyam Sunder Lal Gupta and Mr. Ajay Kumar, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given below :

Shyam Sunder Lal Gupta

Mr. Shyam Sunder Lal Gupta born in 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 Advisor 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 in Delhi as Senior Partner. During his association he had handled the work of Supreme Court, High Courts, MRTTP 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 in 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 in 30th January, 1951 is 1976 batch Indian Administrative Services Officer (IAS)., he has vast and varied experience in Administration, Urban Development, Real Estate Development, Housing, Poverty, Public Health, Comparative Politics, 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 rapporteur 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.

Other details of the Independent Directors whose appointment is proposed at Item Nos. 4 to 6 of the accompanying Notice, have been given in the annexure attached.

Item No. 7 :

The provisions of Section 188(1) of the Companies Act, 2013 that govern the related party transactions require a company to obtain prior approval of the Board of Directors and in case the paid up share capital of the Company is Rs.10 crore or more, the prior approval of shareholders by way of special resolution.

Since the proposed transaction is between the holding/subsidiary and associate companies which fall under the ambit of related party as per Section 2(76) of the Companies Act, 2013 the proposed investment/disinvestment/loan/guarantee/provision of security in those companies would attract Section 188 of the Companies Act, 2013 and therefore require your approval.

The disclosures required to be provided under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below for perusal of the members.

Name of the Related Party (Subsidiary / Associate Companies)	Nature, and particulars of the contract or arrangement	Maximum Amount per annum Rs. (in crores)
Almondz Global Securities Ltd.	Investment / disinvestment / providing any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt and/or provide inter corporate loan(s) or a combination thereof, to holding/subsidiary and associate companies Intercorporate Loans and advances at the rate of interest of prevailing yield of one year, three year, five year or ten year Government Securities closet to the tenor of the loan.	50
Almondz Infosystem Pvt. Ltd.		5
Express Infra Financial Consultancy Pvt. Ltd.		20
Almondz Insurance Brokers Pvt. Ltd.		50
Latitude 23 Communications Limited		1
Yug Infrastructures Pvt. Ltd.		1
Almondz Commodities Pvt. Ltd.		1
Almondz Global Securities Ltd.	The Company in its ordinary course of business trades in shares and securities and pays brokerage, demat and processing charges which is based on arms length.	0.10
Almondz Insurance Brokers Pvt. Ltd. Almondz Commodities Pvt. Ltd. Almondz Infosystem Pvt. Ltd. Express Infra Financial Consultancy Pvt. Ltd. Latitude 23 Communications Limited Yug Infrastructures Pvt. Ltd.	The Company being the main investment company in the group sometime incurred expenses on behalf of group companies and vice versa, which the company recovers / pays on actual basis.	1.00

Your Company being a holding / associate company of the companies referred above and hence a related party and therefore may be deemed to be concerned in the said resolution.

None of the directors or Key managerial person are concerned or interested, financial or otherwise in the resolution except to the extent of their directorship in the said subsidiary companies.

By Order of the Board of Directors
For **Avonmore Capital & Management Services Limited**
(formerly *Almondz Capital & Management Services Limited*)

New Delhi
14th August, 2014

Reema Sachdeva
Company Secretary

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting
(pursuant to clause 49 of listing agreement)**

Name of the Director	Govind Prasad Agrawal	Chand Krishan Tikku	Shyam Sunder Lal Gupta	Ajay Kumar
Date of Birth	09 September, 1954	23rd April, 1930	28th September, 1933	30th January, 1951
Relationship with Directors	None	None	None	None
Expertise in specific functional area	Wide managerial experience in finance, law and admionistration	Vast experience in the fields of Taxation, Accounting & Corporate Governance.	Wide managerial skill in Law and Finance and administration	Vast and varied experience in Administration, Urban Development, Real Estate Development, Housing, Poverty, Public Health, International Relations & Law.
Qualification	B.Com, FCS, LL.B	M.A (Economics), Retd. Chairman, CBDT	M.Com, LL.B, MBA & CAIIB Central Board of direct Taxes	IAS (Retd.) LL. B, FCS
Board Membership of other companies as on March 31, 2014 [®]	9	NIL	2	3
Chairman / Member of the Committee of the Board of Directors as on March 31, 2014	5	4	5	NIL
Chairman / Member of the Committee of Directors of other companies in which he is a director as on March 31, 2014				
a) Audit Committee	2	NIL	1	NIL
b) Shareholders' Grievance Committee	NIL	NIL	1	NIL
c) Board Governance and Nomination Committee	1	NIL	1	NIL
d) Compensation Committee	NIL	NIL	NIL	NIL
e) Remuneration Committee	1	NIL	1	NIL
Number of shares held in the Company as on March 31, 2014 [#]	87000	NIL	NIL	NIL

Note :

[®] This does not include position in foreign companies, position as an advisory board member and position in companies under Section 25 of the Companies Act, 1956 (corresponding to companies under Section 8 of Companies Act 2013) but included private limited companies.

[#] Includes shares held jointly with immediate family members.

The instructions for members for voting electronically are as under :

- (i) The voting period begins on 23 September 2014 (10:00 a.m. IST) and ends on 25 September 2014 (6:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14 August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field. • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL / NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 14 August 2014 in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians :
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions :

- (xx) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 14, 2014.
- (xxi) Mr. Chandra Bhushan Mishra, Practicing Company Secretary (Membership No. 4006), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (xxii) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Chandra Bhushan Mishra, Practicing Company Secretary, (Membership No. FCS 4006), at the Registered Office of the Company not later than Thursday, September 25, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to complianceacms@avonmorecapital.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, September 25, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (xxiv) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.avonmorecapital.in within two days of the passing of the resolutions at the 22nd AGM of the Company on September 29, 2014 and communicated to the Bombay Stock Exchange Limited and Delhi Stock Exchange of India Limited, where the shares of the Company are listed.

Corporate Information

Board of Directors	<p>Mr. Govind Prasad Agrawal – Non-Executive Chairman Mr. Ashok Kumar Gupta – Managing Director Mr. Chand Krishna Tikku – Non-Executive & Independent Director Mr. Shyam Sunder Lal Gupta – Non-Executive & Independent Director Mr. Ajay Kumar – Non-Executive & Independent Director</p>
Company Secretary	Reema Sachdeva
Auditors	<p>M/s. H. K. Chhabra & Co., Chartered Accountants 324, Dhaka Chambers, 2068/38, Naiwala, Karol Bagh, New Delhi -110 005</p>
Bankers	<p>HDFC Bank Ltd. AXIS Bank Ltd.</p>
Registrar & Share Transfer Agent	<p>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</p>
Registered Office	<p>2nd Floor, 3 Scindia House, Janpath, New Delhi-110 001</p>

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Directors' Report

To the Members,

The Board of Directors of your Company have pleasure in presenting the 22nd Annual Report of the Company alongwith the Audited statement of accounts and the Auditors' Report for the year ended 31st March, 2014.

FINANCIAL RESULTS

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

	(Rs. in Lacs)	
	Year ended 31.03.2014	Year ended 31.03.2013
Gross Income	64.32	180.83
Profit before Interest, Depreciation & Tax	13.45	21.07
Less/(Add) : Prior Period Items expenses/(income)	0.23	(0.19)
Less : Interest	—	20.92
Less : Provision / (Reversal of Depreciation)	0.02	1.76
Less : Provisions for Taxes	(3.48)	3.48
Net Profit after Tax	16.68	(4.90)

FINANCIAL PERFORMANCE OF THE COMPANY

Total revenues for the year ended March, 31, 2014 amounted to Rs 64.32 Lacs as compared to Rs. 180.83 Lacs in the previous year. Profit before interest, depreciation and taxes for the financial year 2013-14 is amounted to Rs. 13.45 Lacs as against Rs. 21.07 Lacs in the last year. The Profit for the financial year 2013-14 is Rs. 16.68 Lacs as against the loss of Rs. 4.90 Lacs in the previous financial year.

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 do not recommend any dividend on the Equity Shares of the Company for the current financial year.

SHARE CAPITAL

During the year under report, your Company raised the Authorized Capital of the Company to Rs. 25,00,00,000/- consisting of 2,50,00,000 Equity Shares of Rs 10/- each.

During the Year ended 31 March 2014, 7500000 Equity Shares of Rs. 10/- each were issued by the Company thereby raising the Paid-up Capital at Rs. 21,92,17,131/-.

PUBLIC DEPOSITS

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

SUBSIDIARY COMPANIES

During the Financial Year ended March 31, 2014, the Company had six subsidiaries namely North Square Projects Pvt. Ltd, Almondz Infosystem Pvt. Ltd., Almondz Insurance Brokers Pvt. Ltd., Almondz Reinsurance Brokers Pvt. Ltd. (Step-down Subsidiary), Express Infra Financial Consultancy Pvt. Ltd. and

Latitude 23 Communications Ltd. These subsidiary companies are non-material unlisted subsidiaries of the Company.

Out of the aforesaid, North Square Projects Pvt. Ltd. ceased to be the subsidiary of the Company w.e.f. June 01, 2014 on account of sale of entire share capital of North Square Projects Pvt. Ltd.

During the year under report, Apricot Infosoft Pvt. Ltd. w.e.f. 10.06.2014, Shivsathi Niketan Ltd. w.e.f. 14.05.2014 and Avonmore Developers Pvt. Ltd. w.e.f. 23.07.2014 has become the subsidiaries of the your Company as the Company has acquired the entire share capital of Apricot Infosoft Pvt. Ltd. and Avonmore Developers Pvt. Ltd. and 26000 Equity shares of Shivsathi Niketan Ltd.

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

Further,

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

CONSOLIDATED FINANCIAL STATEMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS

During the year under Report, Mr. Sanjay Grover, Non-Executive Director of the Company had resigned from the directorship of the Company w.e.f. 26.05.2014

The Board of Directors of your Company has appointed Mr. Ajay Kumar (Retd. IAS) w.e.f. 11 November 2013 as an Additional Director of the Company. His tenure is expiring at the ensuing Annual General Meeting of the Company. Mr. Ajay Kumar has expressed his willingness to accept the office as the Director of the Company and offer himself for re-appointment at the forthcoming Annual General Meeting of the Company. Mr. Ajay Kumar has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013.

Mr. Govind Prasad Agrawal, retires by rotation and being eligible, offers himself for reappointment at the forthcoming annual General Meeting scheduled on September 29, 2014.

LISTING

The Company has paid the annual listing fees for the financial year 2013-14 to Bombay Stock Exchange Ltd and Delhi Stock Exchange.

SECRETARIAL AUDITORS

As required under Section 204 of the Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and to provide a report in this regard.

Accordingly, M/s. Neha Gupta & Associates, Company Secretaries, Delhi have been appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2014-15 for attaching their report with the Board's report to the shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in preparation of the Balance Sheet and the Statement of Profit & Loss of the Company, the applicable accounting standards have been followed alongwith the proper explanation relating to the material departures;
- that the Directors have selected such accounting policies and applied them consistently and made 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 or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s H. K. Chhabra & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting are recommended for re-appointment of the Company's Auditors. A letter from them

confirming that, if they are re-appointed as the Statutory auditors of the Company, such appointment will be in accordance with the provisions of Section 139 of the Companies Act, 2013, and they are not disqualified in terms of the provisions of the Companies Act, 2013, from being appointed as the Statutory Auditors of the Company, has been received.

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

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

CORPORATE GOVERNANCE

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

Further, as required under Clause 49 of the Listing Agreement, a certificate, duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2014, was submitted to the Board of Directors at their meeting held on May 28, 2014. The certificate is attached to the Report on Corporate Governance.

GROUP COMING WITHIN THE DEFINITION OF GROUP 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 Pvt. Ltd.

Almondz Global Securities Ltd.

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

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

New Delhi
14th August, 2014

Corporate Governance Report

COMPANY'S PHILOSOPHY ON GOVERNANCE

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. It will endeavour to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its Stakeholders.

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

BOARD OF DIRECTORS

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 Company has a Non-Executive Chairman and the number of Independent Directors is more than one-half of the total number of Directors. The number of Non-Executive Directors is also more than 50% of the total number of Directors. The Board is presently comprises of 5 Directors, including 1 Executive Director and 4 Non Executive Directors, of which 3 are Independent Directors. The Directors have expertise in their functional areas and bring a wide range of the skills and experience on the Board.

None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the Companies in which he is a Director. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions in other public companies as on March 31, 2014 have been made by the Directors to the Company.

Meetings and Attendance

During the year 2013-2014 the Board of Directors met Five (5) times on the following dates :

28th May 2013, 4th July 2013, 14th August 2013, 12th November 2013 and 7th February 2014.

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

Categories and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review along with the number of Directorship and committee memberships held by them in other companies as on 31st March 2014 are given hereunder. The Directorship in other companies exclude those held in private limited companies, association, companies incorporated outside India and alternate directorships. The Chairmanship/Memberships include membership of Audit and Shareholders' / Investor Grievance Committees.

Name of Directors	Category	Attendance at Board Meetings		No. of Directorships in other Public Companies	No. of Membership / Chairmanship in Committees of Board of Public Companies		Whether Present in Annual General Meeting
		Held	Attended		Chairman	Member	
Mr. Ashok Kumar Gupta	Managing Director	5	5	—	2	1	Yes
Mr. Chand Krishna Tikku	Non-Executive Director	5	5	—	—	3	No
Mr. Govind Prasad Agrawal	Non-Executive Director	5	5	6	3	6	Yes
Mr. Sanjay Grover *	Non-Executive Director	4	—	—	2	—	Yes
Mr. Shyam Sunder Lal Gupta	Non-Executive Director	5	5	2	1	6	No
Mr. Ajay Kumar **	Non-Executive Director	2	2	1	2	—	No

* Mr. Sanjay Grover ceased to be Director of the Company w.e.f. 26.05.2014

** Mr. Ajay Kumar is appointed as an additional Director of the Company w.e.f. 12.11.2013

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 under Clause 49 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31 March 2014 is attached to this Corporate Governance Report.

Committees of the Board

The Board of Directors has constituted 5 Committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Committee for Further Issue of Shares
- 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 Clause 49 of the Listing Agreement 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 Board's report in terms of Sub-section (2AA) of section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
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 clause 49 of the Listing Agreements dealing with Corporate Governance 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 & Non-Independent 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 28th May 2013, 14th August 2013, 12th Nov 2013, and 7th February 2014. For the finalization of the Audited Annual Accounts of the Company, the meeting of the Audit Committee was held on 28th May 2014.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

Name of Directors	No. of Committee Meetings attended
Mr. Govind Prasad Agrawal	4
Mr. Sanjay Grover *	Nil
Mr. Chand Krishna Tikku	4
Mr. Shyam Sunder Lal Gupta	4
Mr. Ajay Kumar **	1

* Mr. Sanjay Grover ceased to be a chairman w.e.f 26.05.2014 due to his resignation from the directorship of the Company.

** Mr. Ajay Kumar has been elected as the chairman of the Audit committee w.e.f. 28.05.2014.

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 :

- 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.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 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 report no meeting of Nomination and Remuneration Committee was held. Mr. Ajay Kumar, Non Executive & Independent Director, has been nominated as the Chairman for the Committee meetings w.e.f. 28 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, 2014 are as follows :

(a) Executive Director :

Name	Category	Salary & Perquisites (Rs.)
Mr. Ashok Kumar Gupta	Managing Director	1,305,720/-

(b) Non-Executive Directors :

Name	Category	Sitting Fees (Rs.) As on 31.03.2014
Mr. Govind Prasad Agrawal	Director	70,000/-
Mr. Sanjay Grover *	Director	—
Mr. Chand Krishna Tikku	Director	70,000/-
Mr. Shyam Sunder Lal Gupta	Director	70,000/-
Mr. Ajay Kumar **	Director	10,000/-

* Mr. Sanjay Grover ceased to be Director of the Company w.e.f. 26.05.2014

** Mr. Ajay Kumar was appointed as an Additional Director w.e.f. 12.11.2013

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, 4 (Four) Stakeholders Relationship Committee (Formerly Share Transfers & Shareholders Grievance Committee) meetings were held on 29th April 2013, 27th July 2013, 21st October 2013 and 20th January 2014, 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.

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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 comprises of Mr. Shyam Sunder Lal Gupta, Mr. Chand Krishna Tikku, Mr. Govind Prasad Agrawal and Mr. Ashok Kumar Gupta. During the year under review, 2 (two) meeting were held on 31st December 2013 and 31st March 2014, which were attended by all the members of the Committee. 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, no meeting of the management Committee of the Company was held.

SUBSIDIARY COMPANIES

During the Financial Year ended March 31, 2014, the Company had six subsidiaries namely North Square Projects Pvt. Ltd., Almondz Infosystem Pvt. Ltd., Almondz Insurance Brokers Pvt. Ltd., Almondz Reinsurance Brokers Pvt. Ltd. (Step-down Subsidiary), Express Infra Financial Consultancy Pvt. Ltd. and Latitude 23 Communications Ltd. These subsidiary companies are non-material unlisted subsidiaries of the Company.

Out of the aforesaid, North Square Projects Pvt. Ltd. ceased to be the subsidiary of the Company w.e.f. June 01, 2014 on account of sale of entire share capital of North Square Projects Pvt. Ltd.

During the year under report, Apricot Infosoft Pvt. Ltd., Shivsathi Niketan Ltd. and Avonmore Developers Pvt. Ltd. w.e.f. 23.07.2014 has also become the subsidiaries of the Company on account of acquisition of Equity Shares in the respective companies.

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

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GENERAL BODY MEETINGS

Details of the last three Annual General Meetings :

Financial Year Ended	AGM	Location	Date	Time
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.
31.03.2012	20th	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054	28th September 2012	3.00 P. M.
31.03.2011	19th	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054	29th September 2011	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
21st Annual General Meeting	No Special Resolution was passed
20th Annual General Meeting	Appointment of Mr. Ashok Kumar Gupta as Managing Director of the Company for a period of 5 years effective from December 31, 2011
19th Annual General Meeting	Confirmation of the re-appointment of Mr. Ramesh Peer as Managing Director of the Company for a further period of 5 years effective from July 8, 2011 upon the existing terms and conditions

POSTAL BALLOT

During the year under report, the Company sought shareholders approval through Postal ballot Process pursuant to Section 192A of the Companies Act, 1956 and Section 110 of the Companies Act, 2013, on the following occasions :

- (A) The Company sought approval of the members on 16th July 2014 to the following businesses as set out in notice dated 28 May 2014 :
- 1) Issue of warrants convertible into equity shares of the Company (referred to as "Resolution No. 1 in the following table);
 - 2) Increasing the authorized share capital of the Company (referred to as "Resolution No. 2 in the following table);
 - 3) Alteration in Capital Clause of Memorandum of Association of the Company (referred to as "Resolution No. 3 in the following table):

Particulars	No. and (%) of votes cast in favour	No. and (%) of votes cast against	No. of Total Votes received invalid (excluding Votes)
Resolution No. 1	23 (100%)	NIL (0%)	23
Resolution No. 2	23 (100%)	NIL (0%)	23
Resolution No. 3	23 (100%)	NIL (0%)	23

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

M/s Ashu Gupta & Co., Practicing Company Secretary, was appointed as scrutinizer for conducting the Postal ballot exercise.

- (B) The Company sought approval of the members on 24th December 2013 to the following businesses as set out in notice dated 12 November 2013 :

- 1) Issue of warrants convertible into equity shares of the Company (referred to as "Resolution No. 1 in the following table);
- 2) Increasing the authorized share capital of the Company (referred to as "Resolution No. 2 in the following table);
- 3) Alteration in Capital Clause of Memorandum of Association of the Company (referred to as "Resolution No. 3 in the following table):

Particulars	No. and (%) of votes cast in favour	No. and (%) of votes cast against	No. of Total Votes received invalid (excluding Votes)
Resolution No. 1	22 (99.999%)	1 (0.001%)	23
Resolution No. 2	23 (100%)	NIL (0%)	23
Resolution No. 3	23 (100%)	NIL (0%)	23

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

M/s Ashu Gupta & Co., Practicing Company Secretary, was appointed as scrutinizer for conducting the Postal ballot exercise.

MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per amended

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

clause 41 of the listing agreement, are published in newspapers. The results are normally being published in "The Business Standard" in English and Hindi.

The Company has also designated "complianceacms@avonmorecapital.in" as an email id for the purpose of registering complaints by investors and displayed the same on the Company's website.

INSIDER TRADING

Code of Conduct for Prevention of Insider Trading

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

CEO / CFO CERTIFICATION

A certificate with respect to Clause 49(V) of the Listing Agreement is annexed with the Directors' Report and has been signed by Mr. Ashok Kumar Gupta, Managing Director and Ms. Shruti Aggarwal, Chief Finance Officer of the Company.

DISCLOSURE

In Respect of Related Party Transactions

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

Disclosure of Accounting Treatment

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

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.

The Company is involved in certain cases arising in the ordinary course of its business / operations.

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

COMPLIANCE CERTIFICATE OF THE AUDITORS

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

COMPLIANCE OFFICER

The Board had designated Ms. Reema Sachdeva, Company Secretary as the Compliance Officer.

Address :

2nd Floor, 3 Scindia House,
Janpath, New Delhi-110001
e-mail complianceacms@avonmorecapital.in
Phone : 011-32947374
Fax : 011- 41514665

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date : 29th September, 2014

Time : 12.30 P. M.

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

Financial Year 1st April 2013 to 31st March 2014

Financial Calendar 2014-2015 (Tentative)

First quarter results : July / August 2014

Second quarter results : October / November 2014

Third quarter results : January / February 2015

Fourth quarter results : April / May 2015 if unaudited quarterly results or alternatively last week of June, 2015 in case of audited results for the year.

Annual General Meeting : August / September 2015

Book Closure Dates :

22nd September, 2014 to 29th September, 2014 (both Days inclusive)

Listing on Stock Exchanges :

(a) The Delhi Stock Exchange Ltd.,
DSE House, 3/1 Asaf Ali Road, Delhi - 110 002

(b) Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

Listing Fee as applicable has been paid

Stock Code :

Scrip ID at BSE : AVONMORE

Scrip Code at BSE : 511589

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

Depositories :

(a) The National Securities Depository Ltd.
4th Floor, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

(b) Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers 28th Floor, Dalal Street,
Mumbai - 400 023

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Stock Market Data :

Bombay Stock Exchange Ltd. (BSE)			
Month	Month's High	Month's Low	Volume (Nos.)
April' 13	9.20	8.82	51
May' 13	9.00	7.46	6640
June' 13	8.40	7.60	550
July' 13	10.40	7.23	7084
August' 13	8.32	7.52	429
September' 13	8.66	7.82	225
October' 13	10.96	8.21	176
November' 13	12.00	11.00	23577
December' 13	19.84	12.00	16346
January' 14	19.85	17.60	8012
February' 14	18.50	16.75	1643
March' 14	18.50	15.45	422699

Evolution of Capital :

Date of Allotment	No. of Shares	Reasons for Allotment	Cumulative No. of Shares	Cumulative Listed / Traded Capital
Incorporation	20	On Incorporation	20	—
15.05.1992	50	Preferential Allotment	70	—
15.12.1992	199930	Preferential Allotment	200000	—
29.01.1993	800000	Preferential Allotment	1000000	—
30.06.1993	600000	Preferential Allotment	1600000	—
04.05.1994	1600000	Public Issue	3200000	3200000
20.05.1996	4122700	Public – cum Rights Issue	7322700	7322700
08.06.1997	269491	Conversion of Fully paid Zero Interest Unsecured Fully Convertible Debentures of Rs. 25/- each	7592191*	3860491
30.09.1998	7189	Conversion of Fully paid Zero Interest Unsecured Fully Convertible Debentures of Rs. 25/- each	7599380	3867680
29.03.2004	2352320	Reissue of forfeited shares	7599380	6220000**
19.08.2006	465000	Preferential Allotment	8064380	6685000
30.03.2007	2825000	Preferential Allotment	10889380	9510000
19.09.2007	505900	Preferential Allotment	11395280	10015900
10.05.2010	1755000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	13150280	11770900
20.11.2010	2000000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	15150280	13770900
31.03.2014	7500000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	22650280	21270900

Notes :

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

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Distribution of Shareholding as on 31st March, 2014 :

No. of Equity Shareholders	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up To 5000	2567	86.93	272528	1.2812
5001 To 10000	154	5.22	127425	0.5991
10001 To 20000	73	2.47	110817	0.5210
20001 To 30000	34	1.15	88500	0.4161
30001 To 40000	14	0.47	50293	0.2364
40001 To 50000	17	0.58	80680	0.3793
50001 To 100000	21	0.71	155573	0.7314
100001 AND ABOVE	73	2.47	20385084	95.8355
TOTAL	2953	100.00	21270900	100.0000

Shareholding Pattern of Almondz Capital & Management Services Limited for the Quarter ended March 31, 2014 :

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals / Hindu Undivided Family	1	3792549	3792549	17.83	17.83	—	—
(b)	Central Government / State Government(s)	—	—	—	—	—	—	—
(c)	Bodies Corporate	1	4796702	2796702	22.55	22.55	—	—
(d)	Financial Institutions / Banks	—	—	—	—	—	—	—
(e)	Any Other (specify)	1	5000	5000	0.02	0.02	—	—
	Sub-Total (A) (1)	3	8594251	6594251	40.40	40.40	—	—
2	Foreign							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	—	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—	—
(d)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (A) (2)	—	—	—	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A) =(A) (1) + (A) (2)	3	8594251	6594251	40.40	40.40	—	—

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(B)	Public Shareholding	—	—	—	—	—	N. A.	N. A.
1	Institutions	—	—	—	—	—	N. A.	N. A.
(a)	Mutual Funds / UTI	—	—	—	—	—	—	—
(b)	Financial Institutions / Banks	1	2600	—	0.01	0.01	—	—
(c)	Central Government / State Government (s)	—	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	—	—	—	—	—	—	—
(f)	Foreign Institutional Investors	—	—	—	—	—	—	—
(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—
(h)	Any Other (Specify)	—	—	—	—	—	—	—
	Sub-Total (B) (1)	1	2600	—	0.01	0.01	—	—
2	Non-Institutions	—	—	—	—	—	N. A.	N. A.
(a)	Bodies Corporate	94	8817556	3064756	41.45	41.45	—	—
(b)	Individuals :							
	i. Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2784	763776	589962	3.59	3.59	—	—
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	30	2932042	2880442	13.78	13.78	—	—
(c)	Any Other (specify)							
	i NRI	15	39306	21806	0.18	0.18	—	—
	ii HUF	42	119319	119319	0.56	0.56	—	—
	iii Clearing Members	3	2050	2050	0.01	0.01	—	—
	Sub-Total (B) (2)	2968	12674049	6678335	59.58	59.58	—	—
	Total Public Shareholding							
	(B) = (B)(1)+(B)(2)	2969	12674049	6678335	59.60	59.60	—	—
	TOTAL (A)+(B)	2972	21270900	13272586	100.00	100.00	—	—
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	—	—	—	*****	—	—	—
2	Public	—	—	—	—	—	—	—
	Sub-Total (C)	—	—	—	N. A.	—	—	—
	GRAND TOTAL (A)+(B)+(C)	2972	21270900	13272586	100.00	100.00	—	—

Reconciliation of Share Capital Audit Report

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

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

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

Status of Dematerialisation of Shares as on 31 March 2014

Particulars	No. of Shares	% of Total capital
Dematerialised *	13272586	62.40
Physical	498314	2.34
Total	21270900	100.00

* Reason of Difference is due to allotment of 7500000 Equity Shares on 31.03.2014 and were in the process of dematerialization on that date

Registrars & Transfer Agents :

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

SHARE TRANSFER SYSTEM

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

therefore, requested to correspond with the Registrar & Transfer Agents for transfer/transmission of shares, change of address and queries pertaining to their shareholding, at their address given in this report.

DETAILS OF SHAREHOLDERS COMPLAINT RECEIVED, NOT SOLVED AND PENDING SHARE TANSFER

The total numbers of complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2014 was 1. There was no complaint outstanding as on 31st March 2014.

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

COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion & Analysis has been given separately in this Annual Report.

For and on behalf of the Board of Directors

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

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

**To the Shareholders of
AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Avonmore Capital & Management Services Limited for the year ended 31st March, 2014, as stipulated under Clause 49 of the Listing Agreement as entered into by the Company with the Stock Exchanges in India.

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

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

We state that in respect of the investors' grievances received during the year ended 31st March, 2014, no investors' grievances are pending against the Company for period exceeding one month as per the records maintained by the Company, which are presented to the Shareholders'/Investors' Grievance Committee.

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

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

New Delhi
28th May, 2014

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

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, for the current year.

For **Avonmore Capital & Management Services Limited**

New Delhi
28th May, 2014

SHRUTI AGGARWAL
Chief Finance Officer

ASHOK KUMAR GUPTA
Managing Director
(DIN : 02590928)

Management Discussion & Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT

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

A robust banking and financial sector is critical for financing and facilitating higher economic growth. Financial intermediaries like non-banking finance companies ("NBFCs") have a definite and very important role in the financial sector, particularly in a developing economy like India, where demand for credit is growing fast. Therefore, the role of NBFCs in both manufacturing and services sector is significant as they facilitate the flow of credit to end consumers.

In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises in the rural and semi-urban areas. NBFC's are playing significant role in financing the road transport and infrastructure and have reached the gross root level through micro finance. With the growing importance assigned to financial inclusion, NBFCs have been pioneering at retail asset backed lending, lending against securities, microfinance etc. and have been extending credit to retail customers in under-served areas and to unbanked customers.

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

BUSINESS OPERATIONS

During the year under review, the Company has generated its income of Rs. 61.92 Lacs from Investment & Trading of Securities as compared to Rs. 56.10 Lacs in the previous years.

OPPORTUNITIES AND THREATS

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

The Company is exposed to all risks & threats, which Financial Market & a Non Banking Finance Company faces. 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

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.

The capital market activity depends largely upon the economic growth momentum and a combination of several factors like low

inflation, growing domestic savings, surging portfolio investments into India etc. The unusual developments in the global economy indicate heightened uncertainties and new challenges for the emerging market economies like India. The Company will continue focusing on trading in securities, financing and fee based activities and besides that the company will continue to explore opportunities in other areas related to its operations.

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.

Your Company recognizes the importance of risk management and is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, 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 efficacy of the Company's 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 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.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Auditors' Report

To the Members of
AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Avonmore Capital & Management Services Limited, (formerly Almondz Capital & Management Services Limited) which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014, and
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

H. K. CHHABRA

Partner

Place : New Delhi

Date : 28th May, 2014

(FCA – Membership No. 089616)

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

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

S. No.	Name of the Party	Amount (Rs. in Lacs)	Year-end Balance (Rs. in Lacs)	Maximum Balance (Rs. in Lacs)
1	North Square Projects Private Limited (Subsidiary Company)	0.50	55.15	55.15
2	Almondz Commodities Private Limited (Associate Company)	60.50	10.92	60.50

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

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets etc. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956;
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, trans-

actions that needed to be entered into the register have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information given to us, the company has not accepted any deposits from the public during the year within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii) We were informed that the Central Government has not prescribed the maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix) According to the information and explanations given to us in respect of statutory and other dues :
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31.03.2014 for a period of more than six months from the date they became payable.
- x) The company has no accumulated losses as on the balance sheet date. The company has not incurred any cash losses during the financial year covered by our audit or the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. The provision of clause 4 (xii) of CARO 2003 are not applicable.
- xiii) In our opinion, the company is neither a chit fund nor nidhi / mutual benefit fund / society and hence clause 4 (xii) of the Order is not applicable to the company.
- xiv) The Company has maintained proper records of transaction and contracts in respect of all shares, debentures and other securities, which have been held by the Company in its own name and timely entries have been made therein.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- xv) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- xvi) In our opinion and according to the information and explanations given to us, the company has not applied for any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) During the year the company has not issued any debentures.
- xx) The company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

H. K. CHHABRA

Place : New Delhi Partner
Date : 28th May, 2014 (FCA – Membership No. 089616)

Balance Sheet as at 31 March, 2014

(Amount in Indian Rupees)

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
Equity & Liabilities			
Shareholders' funds			
Share capital	2.1	219,217,131	144,217,131
Reserves and surplus	2.2	366,148,431	289,480,706
		585,365,562	433,697,837
Non-current liabilities			
Long-term provisions	2.3	97,271	97,590
		97,271	97,590
Current liabilities			
Short-term borrowings	2.4	16,460,947	—
Trade Payable	2.5	71,182	—
Other current liabilities	2.6	554,273	706,820
Short-term Provisions	2.7	686,567	511,972
		17,772,969	1,218,792
TOTAL		603,235,802	435,014,219
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.8	27,079	29,014
Intangible assets	2.9	—	1,182,978
		27,079	1,211,992
Non current investments	2.10	530,142,131	351,244,753
		530,142,131	351,244,753
Current assets			
Inventories	2.11	6,616,801	12,563,012
Trade receivables	2.12	—	—
Cash and cash equivalents	2.13	1,603,194	1,227,678
Short-term loans and advances	2.14	13,590,393	65,665,916
Other Current Assets	2.15	51,256,204	3,100,868
		73,066,592	82,557,474
TOTAL		603,235,802	435,014,219

Significant accounting policies and notes to financial statements 1 & 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
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

Statement of Profit & Loss for the year ended 31 March, 2014

(Amount in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2014	Year ended 31 March 2013
Income			
Operating Income	2.16	6,170,235	4,398,281
Other Operating Income	2.17	21,778	1,212,066
Other Income	2.18	240,603	12,473,139
Total revenue		6,432,616	18,083,486
Expenses			
Operating Expenses	2.19	—	2,092,223
Employee benefit expenses	2.20	1,901,968	2,331,822
Depreciation and Amortisation expenses	2.21	1,935	176,082
Other expenses	2.22	3,185,726	13,644,372
Total expenses		5,089,629	18,244,499
Profit before extraordinary, prior period items and taxes		1,342,987	(161,013)
Prior Period (Income)/Expense		23,097	(19,047)
Profit/(Loss) before tax		1,319,890	(141,966)
Tax expense			
Income Tax for Earlier Year		(347,835)	—
MAT-Credit		—	347,835
Profit/(Loss) for the Year		1,667,725	(489,801)
Earnings Per Equity Share			
—Basic	2.25	0.12	(0.04)
—Diluted	2.25	0.12	(0.04)

Significant accounting policies and notes to financial statements 1 & 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
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

Cash Flow Statement for the year ended 31st March, 2014

(Amount in Indian Rupees)

Particulars	For the Year ended	
	31 March 2014	31 March 2013
A. Cash Flow from Operating Activities		
Net Profit before tax & extra-ordinary items adjusted for :	1,342,987	(161,013)
Depreciation	1,935	176,082
Provision for retirement benefits	542	89,379
Bad Debts written off	—	12,239,347
Loss / (Profit) on sale of Investment	—	(1,176,811)
Provision for doubtful Debts	—	61,800
Provision for bad Debts written back	—	(12,239,347)
Excess Provision written back	(861)	(27,800)
Provision for standard assets	(130,173)	(49,802)
Operating Profit before working capital changes adjusted for :	1,214,430	(1,088,165)
(Increase) / Decrease in Stock in trade	5,946,211	34,243,925
(Increase) / Decrease in Other receivables	3,920,187	28,413,781
Increase / (Decrease) in Trade & other payables	223,403	(2,022,508)
Cash used in operations	11,304,231	59,547,033
Extra Ordinary and Prior Period Items	(23,097)	19,047
Taxes Paid	347,835	—
Net cash generated from Operating Activities	(A) 11,628,969	59,566,080
B. Cash Flow from Investing Activities		
Purchase of fixed assets	—	(383,554)
Purchase of investments	(177,714,400)	—
Sale of investments	—	1,176,811
Net cash used in Investing Activities	(B) (177,714,400)	793,257
C. Cash Flow from Financing Activities		
Proceeds from issue of capital (including premium)	150,000,000	—
Proceeds from unsecured short term borrowings	16,460,947	(63,302,707)
Net cash generated from Financing Activities	(C) 166,460,947	(63,302,707)
Cash and cash equivalents (Opening Balance)	1,227,678	4,171,048
Net cash inflows for the year	(A+B+C) 375,516	(2,943,370)
Cash and cash equivalents (Closing Balance)	1,603,194	1,227,678

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
 Partner
 (FCA – Membership No. 089616)
 Place : New Delhi
 Date : 28th May, 2014

Reema Sachdeva
 Company Secretary
 (ACS : A26673)

Shruti Aggarwal
 Chief Finance Officer

Govind Prasad Agrawal
 Director
 (DIN : 00008429)

Ashok Kumar Gupta
 Managing Director
 (DIN : 02590928)

1.0 Significant Accounting Policies**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), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, and NBFC (Non-deposit accepting or holding) companies prudential norms (Reserve Bank) Directions, 2007, as adopted consistently by the Company.

In preparation and presentation of these financial statements, the Company has adopted the Revised Schedule VI to the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Previous year's figures have been regrouped/reclassified to conform to the classification of assets and liabilities as at 31 March 2014.

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

1.3 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.

1.4 Revenue from services

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

1.5 Dividends

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

1.6 Interest

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

1.7 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.

1.8 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.

1.9 Depreciation

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

1.10 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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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.

1.11 Taxation

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

1.12 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 event; 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.

1.13 Earnings per share

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

1.14 Operating leases taken

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

1.15 Segmental reporting

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

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.1 Share capital

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	Amount	Number of Shares	Amount
Authorised 25,000,000 Equity shares of Rs. 10/- each	25,000,000	250,000,000	20,000,000	200,000,000
	25,000,000	250,000,000	20,000,000	200,000,000
Issued and subscribed 22,650,280 Equity shares of Rs. 10/- each (including 1,379,380 shares forfeited)	22,650,280	226,502,800	15,150,280	151,502,800
	22,650,280	226,502,800	15,150,280	151,502,800
Paid Up Capital 21,270,900 Equity shares of Rs. 10/- each, fully paid up Add : 1,379,380 shares forfeited	21,270,900 1,379,380	212,709,000 6,508,131	13,770,900 1,379,380	137,709,000 6,508,131
	22,650,280	219,217,131	15,150,280	144,217,131

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

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

Name of the Shareholders	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Navjeet Singh Sobti	3,792,549	17.83	3,792,549	27.54
Innovative Money Matters Pvt. Ltd.	4,796,702	22.55	2,796,702	20.31
Veena Gases & Chemicals Pvt. Ltd.	1,524,058	7.16	—	—
Swift Buildwell Pvt. Ltd.	—	—	902,988	6.56
Jasmeet Kaur Sethi	—	—	920,000	6.68
KKM Enterprises Pvt. Ltd.	—	—	973,430	7.07
	10,113,309	47.54	9,385,669	68.16

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013 is set out below :

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	13,770,900	137,709,000	13,770,900	137,709,000
Add : Shares Forfeited	1,379,380	6,508,131	1,379,380	6,508,131
Add : Issued during the year	7,500,000	75,000,000	—	—
Number of Shares at the end	22,650,280	219,217,131	15,150,280	144,217,131

2.2 Reserves and surplus

Particulars	As at 31 March 2014	As at 31 March 2013
Share Premium		
At the beginning of the year	136,417,900	136,417,900
Add : addition during the year	75,000,000	—
At the end of the year	211,417,900	136,417,900
Capital Reserve	74,448,968	74,448,968
Special reserve		
At the beginning of the year	9,477,558	9,477,558
Add : addition during the year	333,545	—
At the end of the year	9,811,103	9,477,558
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	69,136,280	69,626,081
Add / (less) : Profit / (loss) for the year	1,667,725	(489,801)
Less : Appropriations		
Special reserve (U/s 45-IC, RBI Act, 1934)	333,545	—
Surplus carried from statement of profit and loss	70,470,460	69,136,280
	366,148,431	289,480,706

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.3 Long-term provisions

Particulars	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits		
— Gratuity	29,392	30,253
— Compensated absences	67,879	67,337
	97,271	97,590

2.4 Short-term borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
Loans repayable on demand		
— from others (Unsecured)	16,460,947	—
	16,460,947	—

2.5 Trade Payable

Particulars	As at 31 March 2014	As at 31 March 2013
Trade Payable	71,182	—
	71,182	—

2.6 Other current liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Expenses Payable	334,047	350,234
Statutory liabilities	24,952	46,348
Unpaid Dividend	195,274	310,238
	554,273	706,820

2.7 Short-term Provisions

Particulars	As at 31 March 2014	As at 31 March 2013
Contingent provision for standard Assests	33,964	164,137
Provision of Non Performing asset	142,603	—
Provision for Taxation (Minimum alternate tax)	510,000	347,835
	686,567	511,972

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.8 Tangible assets

Cost	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions / other Adjustments	As at 31 March 2014
Furniture and fixtures	79,920	—	—	79,920	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	93,300
Office equipments	21,800	14,200	—	36,000	—	—	36,000
Total	195,020	14,200	—	209,220	—	—	209,220

Depreciation	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions / other Adjustments	As at 31 March 2014
Furniture and fixtures	38,406	41,514	—	79,920	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	93,300
Office equipments	5,539	1,447	—	6,986	1,935	—	8,921
Total	137,245	42,961	—	180,206	1,935	—	182,141

Carrying amounts				As at 31 March 2013			As at 31 March 2014
Furniture and fixtures				—			—
Computers and peripherals				—			—
Office equipments				29,014			27,079
Total				29,014			27,079

2.9 Intangible assets

Cost	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions / other Adjustments	As at 31 March 2014
Painting and sculpture	984,120	369,354	—	1,353,474	—	1,353,474	—
Total	984,120	369,354	—	1,353,474	—	1,353,474	—

Amortisation	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions / other Adjustments	As at 31 March 2014
Painting and sculpture	37,375	133,121	—	170,496	—	170,496	—
Total	37,375	133,121	—	170,496	—	170,496	—

Carrying amounts				As at 31 March 2013			As at 31 March 2014
Painting and sculpture				1,182,978			—
Total				1,182,978			—

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.10 Non - current Investments (valued at cost unless otherwise stated)

Particulars	As at 31 March 2014	As at 31 March 2013
Long - term, other investment		
(a) Unquoted		
Investment in subsidiaries		
Almondz Infosystem Pvt. Ltd. [50,000 (P. Y. 50,000) equity shares of Rs. 10/- each fully paid up]	500,000	500,000
North Square Projects Pvt. Ltd. [50,000 (P. Y. 50,000) equity shares of Rs.10/- each fully paid up]	500,000	500,000
Express Infra Financial Consultancy Pvt. Ltd. [50,00,000 (P. Y. Nil) equity shares of Rs. 10/- each fully paid up]	50,000,000	—
Latitude 23 Communications Ltd. [115,000 (P. Y. 75,000) equity shares of Rs. 10/- each fully Paid up]	838,000	750,000
Almondz Insurance Brokers Pvt. Ltd. [9,18,000 (P. Y. Nil) equity shares of Rs. 10/- each fully paid up]	113,889,400	—
	165,727,400	1,750,000
Less : Diminution in the value of investment	(600,000)	(375,000)
Net Total (a)	165,127,400	1,375,000
(b) Investment in equity shares		
Globus Industries & Services Ltd. 10,000 (P. Y. 10,000) equity shares of Rs. 10/- each fully Paid up	100,000	100,000
Shiivaz Spas & Hospitality Pvt Ltd. 20,000 (P. Y. 20,000) equity shares of Rs. 10/- each fully Paid up	200,000	200,000
Yug Infrastructures Pvt Ltd. 15,00,000 (P. Y. Nil) equity shares of Rs.10/- each fully Paid up	15,000,000	—
Almondz Commodities Pvt. Ltd. 2,50,000 (P.Y. 2,50,000) equity shares of Rs.10/- each fully Paid up	2,500,000	2,500,000
	17,800,000	2,800,000
Less : Diminution in the value of investment	(1,251,700)	(213,700)
Net Total (b)	16,548,300	2,586,300
(c) Quoted		
Investment in equity shares		
Almondz Global Securities Ltd. 1,28,58,814 (P. Y. 1,28,58,814) equity shares of Rs. 6/- each fully paid up	347,283,453	347,283,453
Net Total (c)	347,283,453	347,283,453
(d) Government securities		
National Savings Certificate	23,000	23,000
Less : Diminution in the value of investment	(23,000)	(23,000)
Net Total (d)	—	—
(e) Paintings & Sculpture		
Painting & Sculpture	1,182,978	—
Net Total (e)	1,182,978	—
Total (a+b+c+d+e)	530,142,131	351,244,753
Aggregate market value of quoted investment	79,596,059	93,869,342
Aggregate book value of quoted investment	347,283,453	347,283,453
Aggregate cost of unquoted investment	165,727,400	4,573,000

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.11 Inventories

Particulars	As at 31 March 2014	As at 31 March 2013
Equity Shares, quoted at Cost or net realisable value, whichever is lower	6,616,801	12,563,012
	6,616,801	12,563,012

2.12 Trade receivables

Particulars	As at 31 March 2014	As at 31 March 2013
Considered good		
outstanding for more than six months	—	—
– other debts	—	—
Considered doubtful		
– outstanding for more than six months	61,800	61,800
– other debts	—	—
	61,800	61,800
Less: Provision for doubtful debts	61,800	61,800
	—	—

2.13 Cash and cash equivalents

Particulars	As at 31 March 2014	As at 31 March 2013
Cash in Hand	334,706	424,282
Balances with scheduled banks : – on current accounts	1,268,488	803,396
	1,603,194	1,227,678

2.14 Short-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
Loans and advances to Related Party Unsecured, Considered good	5,515,000	5,465,000
Loans and advances to Other Secured	—	—
Unsecured, Considered good	8,070,503	60,189,979
Prepaid Expenses	4,890	10,937
	13,590,393	65,665,916

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.15 Other Current Assets

Particulars	As at 31 March 2014	As at 31 March 2013
Advances recoverable in cash or in kind or for value to be received		
– advances to related party	47,750,000	21,924
– advances to Others	1,890,656	115,089
Service tax cenvat receivable	137,165	79,389
Advance tax and tax deducted at source	1,478,383	2,884,466
	51,256,204	3,100,868

2.16 Operating Income

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
A) Fee, Commission and brokerage		
Fee, Commission and brokerage	—	15,500,000
	—	15,500,000
B) Net Income from Trading of Shares and Securities		
Opening Stock of Shares and Securities	12,563,012	46,806,937
Add: Purchase of Shares and Securities	57,370,206	107,313,443
	69,933,218	154,120,380
Less: Closing Stock of Shares and Securities	6,616,801	12,563,012
Cost of Shares and Securities sold	63,316,417	141,557,368
Less: Sale of Shares and Securities	64,052,144	135,749,018
	735,727	(5,808,350)
Profit/(Loss) on derivatives	1,947,700	(11,629,104)
	2,683,427	(17,437,454)
C) Interest Income		
Interest on others Gross of tax deducted at source Rs. 277,938, (Previous year Rs. 4,69,635)	3,486,808	6,335,735
	3,486,808	6,335,735
Total Operating Income (A+B+C)	6,170,235	4,398,281

2.17 Other Operating Income

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Dividends received	21,778	35,255
Profit on Sale of Investment	—	1,176,811
Total	21,778	1,212,066

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.18 Other income

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Miscellaneous income	109,569	156,190
Excess provision of Retirement benefit written back	861	27,800
Excess Contingent provision on standard asset written back	130,173	49,802
Provision for Bad debts Written back	—	12,239,347
	240,603	12,473,139

2.19 Operating Expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Professional charges	—	—
Interest expense – Working capital loans	—	2,092,223
	—	2,092,223

2.20 Employee benefits expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, bonus and other allowances	1,872,911	2,214,720
Provision for retirement benefits	542	89,379
Staff welfare	17,871	17,079
Contribution to provident and other funds	10,644	10,644
	1,901,968	2,331,822

2.21 Depreciation and Amortisation expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Depreciation on :		
Tangible Assets	1,935	42,961
Intangible Assets	—	133,121
	1,935	176,082

2.22 Other expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Bank Charges	8,086	4,238
Printing and stationery	309,544	170,275
Travelling and conveyance	96,123	75,340
Communication expenses	45,419	52,612
Legal and professional charges	746,377	590,646
Advertisement expenses	23,231	120,872
Auditors' Remuneration	95,000	95,000
Rates, fee and taxes	423,531	67,031
Provision of Bad debts	—	61,800
Bad debts written off	—	12,239,347
Provision for diminution in value of investment	1,263,000	—
Miscellaneous expenses	175,415	167,211
	3,185,726	13,644,372

2.23 Contingent Liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Corporate Guarantee (issued in favour of Almondz Global Securities Limited to Axis Bank Limited)	255,000,000	255,000,000

2.24 Deferred Tax

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

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred Tax Liabilities		
Provision for Retirement Benefits	33,062	33,171
Provision for Contingent Provision	11,544	55,790
Total Deferred Tax Liabilities	44,606	88,961
Deferred Tax assets		
Fixed Assets	624,661	625,501
Unabsorbed Capital Loss	7,754,415	2,650,606
Preliminary Expenses	22,094	44,187
Total Deferred Tax Assets	8,401,170	3,320,294
Deferred Tax Assets (Net)	8,356,564	3,231,333

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.

Notes to the financial statements for the year ended 31 March 2014
(Amount in Indian Rupees)
2.25 Earning per share is computed in accordance with the mandatory requirement of Accounting Standard AS - 20

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
a) Net Profit After Tax available for Equity Shareholders	1,667,725	(489,801)
b) Weighted average No. of Equity Shares for Basic EPS (Nos.)	13,791,448	13,770,900
c) Weighted average No. of Equity Shares for Diluted EPS (Nos.)	13,791,448	13,770,900
d) Basic earning per share (Rs.)	0.12	(0.04)
e) Diluted earning per share (Rs.)	0.12	(0.04)

2.26 Managerial Remuneration

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
a) Managing Director : Salary, Wages and Allowances	1,305,720	1,198,920

2.27 Payment to Auditors

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Statutory Auditors (exclusive of service tax)		
Audit Fee	75,000	75,000
Tax Audit Fee	20,000	20,000
Certification Fee	60,006	66,185
Others	6,505	8,871
	161,511	170,056

2.28 Gratuity and Leave benefit plans : (AS 15 Revised)

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

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

Particulars	Gratuity	
	31 March 2014	31 March 2013
Opening defined benefit obligation	27,064	4,609
Interest cost	2,219	392
Current service cost	19,533	22,287
Benefits paid	—	—
Actuarial (gain)/ loss on obligation	(8,072)	(224)
Closing defined benefit obligation	40,744	27,064

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

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

Particulars	Gratuity	
	31 March 2014	31 March 2013
Opening fair value of plan assets	7,930	63,817
Expected return	2,837	5,745
Contributions by employer	—	—
Actuarial gain/(losses)	585	(61,632)
Closing fair value of plan assets	11,352	7,930

iii) Statement of Profit and Loss

Particulars	Gratuity	
	31 March 2014	31 March 2013
Current service cost	19,533	22,287
Interest cost	2,219	392
Expected return on plan assets	(2,836)	(4,743)
Actuarial gain/(losses)	(8,657)	49,288
Net benefit expense	(10,259)	(67,224)
Actual return on plan assets	(9,274)	(44,769)

iv) Balance sheet

Particulars	Gratuity	
	31 March 2014	31 March 2013
Defined benefit obligation	(30,253)	(48,090)
Fair value of plan assets	(861)	(78,343)
Employer Contribution	—	—
Plan Liability/(Asset)	29,392	(30,253)

Liability in respect of leave encashment at the end of the current year amounts to Rs. 67,879/-.

Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Mortality table (LIC)	(2006-08)	(1994-96)	(2006-08)	(1994-96)
Discount rate	8.80%	8.20%	8.80%	8.20%
Expected rate of return on plan assets	9.00%	9.00%	9.00%	N.A
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.29 Segment Reporting

For the year ended 31st March, 2014

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
Segment Revenue				
Gross Segment Revenue	—	6,322,186	110,430	6,432,616
Less: Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	—	6,322,186	110,430	6,432,616
Segment Results				
Segment Result before Extra-ordinary Items	—	4,992,368	(3,649,381)	1,342,987
Prior Period Expenses / (Income)	—	—	23,097	23,097
Profit before Tax	—	4,992,368	(3,672,478)	1,319,890
Less: Provision for Tax	—	—	(347,835)	(347,835)
Profit after Tax	—	4,992,368	(3,324,643)	1,667,725
Other Information				
Segment Assets	—	600,287,933	2,947,870	603,235,803
Segment Liabilities	—	16,460,947	899,293	17,360,240
Capital Expenditure	—	—	—	—
Depreciation	—	—	1,935	1,935
Non cash expenditure other than depreciation (net of non-cash income)	—	1,132,827	(319)	1,132,508

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.29 Segment Reporting (Continued)

For the year ended 31st March, 2013

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
Segment Revenue				
Gross Segment Revenue	27,739,347	(9,839,852)	183,991	18,083,486
Less : Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	27,739,347	(9,839,852)	183,991	18,083,486
Segment Results				
Segment Result before Extra-ordinary Items	15,438,200	(11,971,033)	(3,628,180)	(161,013)
Prior Period Expenses / (Income)	—	—	(19,047)	(19,047)
Profit before Tax	15,438,200	(11,971,033)	(3,609,133)	(141,966)
Less : Provision for Tax	—	—	347,835	347,835
Profit after Tax	15,438,200	(11,971,033)	(3,956,968)	(489,801)
Other Information				
Segment Assets	—	429,769,470	5,244,749	435,014,219
Segment Liabilities	—	547	967,997	968,544
Capital Expenditure	—	—	369,354	369,354
Depreciation	—	—	176,082	176,082
Non cash expenditure other than depreciation (net of non-cash income)	—	(49,802)	(27,800)	(77,602)

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.30 Related Party Disclosures

Names of related parties & description of relationship :

(i) Subsidiaries

(Entities with which control relationship exists)

- a) M/s Almondz Infosystem Private Limited (w.e.f 31st December 2012)
- b) M/s North Square Projects Private Limited (w.e.f 06th August 2012)
- c) M/s Skiffle Healthcare Services Limited (Till 14th February 2013)
- d) M/s Express Infra financial Consultancy Services
- e) M/s Latitude 23 Communication Limited
- f) M/s Almondz Insurance Brokers Private Limited
- g) M/s Almondz ReInsurance Brokers Private Limited

(ii) Associates

- a) M/s Almondz Global Securities Limited
- b) M/s Almondz Finanz Limited
- c) M/s Almondz Commodities Private Limited
- d) M/s Innovative Money Matters Private Limited
- e) M/s Shivaz Spas & Hospitality Private Limited
- f) M/s Yug Infrastructure Private Limited

(iii) Key Managerial Personnel

- a) Mr. Ashok Kumar Gupta - Managing Director

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

For Financial year 2013-14

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
Income				
Dividend	—	—	—	—
Rent	—	—	—	—
Profit on sale of Investment	—	—	—	—
Interest received	—	258,946	—	258,946
Sale of Securities	—	—	—	—
Expenditure				
Payments & Provision of Salary / Retirement				
Benefits to Key Managerial Personnel	—	—	1,305,720	1,305,720
Interest paid	—	—	—	—
Expenses Reimbursed	—	—	—	—
Brokerage and DP Charges	—	261,300	—	261,300
Loans & Advances				
Balance as at 01.04.2013	—	—	—	—
Paid during the year	—	—	—	—
Receipts / Adjustments during the year	45,100,000	2,650,000	—	47,750,000
Balance as at 31.03.2014	45,100,000	2,650,000	—	47,750,000

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
Investments				
Balance as at 01.04.2013	1,000,000	349,983,453	—	350,983,453
Purchase of Investments	163,690,500	15,000,000	—	178,690,500
Sale during the year	—	—	—	—
Balance as at 31.03.2014	164,690,500	364,983,453	—	529,673,953
Unsecured Loan				
Balance as at 01.04.2013	5,465,000	—	—	5,465,000
Received during the year	50,000	6,050,000	—	6,100,000
Repayment of loan during the year	—	5,050,000	—	5,050,000
Balance as at 31.03.2014	5,515,000	1,000,000	—	6,515,000
Advances for Expenses				
Balance as at 01.04.2013	21,924	—	—	21,924
Received during the year	—	—	—	—
Repayment during the year	21,924	—	—	21,924
Balance as at 31.03.2014	—	—	—	—
Sundry Debtors				
Balance as at 31.03.2014	—	909,182	—	909,182

For Financial year 2012-13

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
Income				
Dividend	—	—	—	—
Rent	—	—	—	—
Profit on sale of Investment	100,000	—	—	100,000
Interest received	64,372	—	—	64,372
Sale of Securities	—	—	—	—
Expenditure				
Payments & Provision of Salary/Retirement Benefits to Key Managerial Personnel	—	—	1,198,920	1,198,920
Interest paid	—	2,053,647	—	2,053,647
Expenses Reimbursed	—	—	—	—
Brokerage and DP Charges	—	2,514,079	—	2,514,079
Loans & Advances				
Balance as at 01.04.2012	—	—	—	—
Paid during the year	2,700,000	37,500,000	—	40,200,000
Receipts/Adjustments during the year	2,700,000	37,500,000	—	40,200,000
Balance as at 31.03.2013	—	—	—	—

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
Notes to the financial statements for the year ended 31 March 2014
(Amount in Indian Rupees)

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
Investments				
Balance as at 01.04.2012	1,000,000	349,983,453	—	350,983,453
Purchase of Investments	2,000,000	—	—	2,000,000
Sale during the year	2,000,000	—	—	2,000,000
Balance as at 31.03.2013	1,000,000	349,983,453	—	350,983,453
Unsecured Loan				
Balance as at 01.04.2012	—	58,600,000	—	58,600,000
Received during the year	—	78,200,000	—	78,200,000
Repayment of loan during the year	—	136,800,000	—	136,800,000
Balance as at 31.03.2013	—	—	—	—
Advances for Expenses				
Balance as at 01.04.2012	—	—	—	—
Received during the year	84,294	—	—	84,294
Repayment during the year	62,370	—	—	62,370
Balance as at 31.03.2013	21,924	—	—	21,924
Sundry Debtors				
Balance as at 31.03.2013	—	111,395	—	111,395

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

As On 31.03.2014

Particulars	Quantity (Nos.)	Cost of Securities (As per FIFO method) (A) (in Rs.)	Market / Fair value of Securities (B) (in Rs.)	Closing Stock as on 31st March, 2014 (Lower of A or B) (in Rs.)
Quoted Shares				
Andhra Pradesh Paper Mills Ltd.	16,297	4,229,358	3,760,553	3,760,553
Elder Pharmaceuticals Ltd.	200	61,613	40,090	40,090
HOV Services Ltd.	26,908	2,312,772	2,339,651	2,312,772
Novartis india Ltd.	229	94,126	101,779	94,126
Orient Abrasive	21,540	470,511	409,260	409,260
Total	65,174	7,168,380	6,651,333	6,616,801

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

As On 31.03.2013

Particulars	Quantity (Nos.)	Cost of Securities (As per FIFO method) (A) (in Rs.)	Market / Fair value of Securities (B) (in Rs.)	Closing Stock as on 31st March, 2013 (Lower of A or B) (in Rs.)
Quoted Shares				
Andhra Pradesh Paper Mills Ltd.	22,000	6,863,041	4,242,700	4,242,700
Linde India Limited	7,000	3,065,376	1,956,150	1,956,150
Elder Pharmaceuticals Ltd.	950	299,867	269,895	269,895
Assam Company (India) Ltd.	100,000	914,038	523,000	523,000
Fairfield Atlas Ltd.	30,000	5,073,047	5,481,000	5,073,047
Saint Gobain Sekurit India Ltd.	22,493	1,093,931	498,220	498,220
Total	182,443	17,309,300	12,970,965	12,563,012

2.32 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 2014.

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
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

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

(Rs. In Lacs)

Subsidiary	North Square Projects Private Limited
Financial period ended	March 31, 2014
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	50,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.09 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.34 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	N. A.

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

(Rs. In Lacs)

Subsidiary	Almondz Infosystem Private Limited
Financial period ended	March 31, 2014
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	50,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.12
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.40 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	N. A.

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

(Rs. In Lacs)

Subsidiary	Latitude 23 Communications Limited
Financial period ended	March 31, 2014
Holding Company's interest	62.20% in equity shares
Shares held by the Holding Company in Subsidiary Company fully paid up	50,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.71 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	N. A.
b) not dealt with or provided for in the accounts of the holding Company	N. A.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

Subsidiary	Express Infra Financial Consultancy Private Limited
Financial period ended	March 31, 2014
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	5,000,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	4.39 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	N. A.
b) not dealt with or provided for in the accounts of the holding Company	N. A.

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

(Rs. In Lacs)

Subsidiary	Almondz Insurance Brokers Private Limited
Financial period ended	March 31, 2014
Holding Company's interest	51% in equity shares (Subsidiary with effect from 1 January 2014)
Shares held by the Holding Company in Subsidiary Company fully paid up	918,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	Nil
b) not dealt with or provided for in the accounts of the holding Company	625.33 (Profit)
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	N. A.
b) not dealt with or provided for in the accounts of the holding Company	N. A.

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

(Rs. In Lacs)

Subsidiary	Almondz Re-insurance Brokers Private Limited
Financial period ended	March 31, 2014
Holding Company's interest	99.995% indirect holding (A wholly owned subsidiary of Almondz Insurance Brokers Private Limited)
Shares held by the Holding Company in Subsidiary Company fully paid up	918,000 equity shares (indirect holding) of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	Nil (Profit)
b) not dealt with or provided for in the accounts of the holding Company	571.25 (Profit)
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	N. A.
b) not dealt with or provided for in the accounts of the holding Company	N. A.

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

 New Delhi
 28th May, 2014

Reema Sachdeva
 Company Secretary
 (ACS : A26673)

Shruti Aggarwal
 Chief Finance Officer

Govind Prasad Agrawal
 Director
 (DIN : 00008429)

Ashok Kumar Gupta
 Managing Director
 (DIN : 02590928)

Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of M/s Avonmore Capital & Management Services Limited (Formerly Almondz Capital & Management Services Limited), which comprise the consolidated Balance Sheet as at 31st March, 2014, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014, and
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The consolidated Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the consolidated Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

H. K. CHHABRA
Partner

Place : New Delhi
Date : 28th May, 2014

(FCA – Membership No. 089616)

Consolidated Balance Sheet as at 31st March, 2014

(Amount in Indian Rupees)

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
Equity & Liabilities			
Shareholders' funds			
Share capital	2.1	219,217,131	144,217,131
Reserves and surplus	2.2	444,577,991	342,803,931
		663,795,122	487,021,062
Minority Interest		125,941	—
Non-current liabilities			
Long-term provisions	2.3	97,271	97,590
		97,271	97,590
Current liabilities			
Short-term borrowings	2.4	75,572,947	22,000
Trade Payable	2.5	71,781	—
Other current liabilities	2.6	572,134	714,159
Short-term Provisions	2.7	686,567	511,974
		76,903,429	1,248,133
		740,921,763	488,366,785
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.8	5,970,932	5,972,867
Intangible assets	2.9	—	1,182,978
		5,970,932	7,155,845
Non current investments	2.10	710,811,281	403,642,314
		710,811,281	403,642,314
Current assets			
Inventories	2.11	6,616,801	12,563,012
Trade Receivable	2.12	—	—
Cash and cash equivalents	2.13	2,859,658	1,713,755
Short-term loans and advances	2.14	8,075,393	60,200,915
Other Current Asset	2.15	6,587,698	3,090,944
		24,139,550	77,568,626
		740,921,763	488,366,785

Significant accounting policies and notes to financial statements 1 & 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
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2014	Year ended 31 March 2013
Income			
Operating Income	2.16	6,170,235	4,398,280
Other Operating Income	2.17	21,778	1,212,066
Other income	2.18	256,400	12,473,139
Total Revenue		6,448,413	18,083,485
Expenses			
Operating Expenses	2.19	—	2,092,224
Employee benefits expenses	2.20	1,961,968	2,331,822
Depreciation and amortisation expenses	2.21	1,935	176,082
Other expenses	2.22	3,649,327	13,718,709
Total Expenses		5,613,230	18,318,837
Profit before extraordinary, prior period items and taxes		835,183	(235,352)
Prior Period Income/(expenses) (net)		(23,097)	19,047
Profit before tax		812,086	(216,305)
Tax expense :			
— Income-tax for earlier year/(credit)		(347,835)	—
— Provision for tax (MAT)		—	347,835
		(347,835)	347,835
Net profit for the period before Minority Interest and share of Loss of Associate		1,159,921	(564,140)
Share of Profit/(loss) of associate		26,186,490	14,469,260
Profit for the Year		27,346,411	13,905,120
Earnings per share (Face value Rs.10 each)			
— Basic	2.29	1.98	1.01
— Diluted	2.29	1.98	1.01

Significant accounting policies and notes to financial statements 1 & 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
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(Amount in Indian Rupees)

Particulars	Year Ended 31 March 2014	Year Ended 31 March 2013
A. Cash flow from operating activities		
Profit before extraordinary, prior period items and taxes	835,183	(235,350)
Adjustments for:		
Depreciation	1,935	176,082
(Profit)/loss on sale of investment	—	(1,176,811)
Provision for employee benefits	542	89,379
Provision for Bad debts	—	61,800
Bad debts written off	—	(12,239,347)
Provision for non performing assets	142,603	—
Excess provision written back	(861)	(27,800)
Provision for bad debts written back'	—	12,239,347
Preliminary Expenses written off	4,000	—
Provision for diminution in value of investment	1,263,000	—
Provision for standard assets	(130,173)	(49,802)
Finance charges	—	2,092,223
	2,116,229	929,721
Less : Prior period expense / (income)	23,097	(19,047)
Operating profit before working capital changes	2,093,132	948,768
Adjusted for net changes in working capital:		
(Increase) / decrease in stock in trade	5,946,211	34,243,925
(Increase) / decrease in sundry debtors	—	—
(Increase) / decrease in loans and advances and other current assets	48,608,653	33,871,782
Increase / (decrease) in current liabilities and provisions	(70,563)	(1,976,242)
Cash flow before extra ordinary items and tax	56,577,433	67,088,233
Taxes paid	—	—
Net cash generated from / (used in) operating activities (A)	56,577,433	67,088,233
B. Cash flow from investing activities		
Purchase of fixed assets	—	(6,327,407)
Proceeds from sale of investment	—	29,676,811
Investments made	(280,982,477)	(27,500,000)
Net cash from / (used in) investing activities (B)	(280,982,477)	(4,150,596)
C. Cash flow from financing activities		
Proceeds from issue of share capital	150,000,000	—
Proceeds from unsecured long term borrowings	75,550,947	(63,302,707)
Proceeds from other loans and advances	—	—
Finance charges	—	(2,092,223)
Net cash from / (used in) financing activities (C)	225,550,947	(65,394,930)
Net cash inflows during the year (A+B+C)	1,145,903	(2,457,293)
Cash and cash equivalents (opening balance)	1,713,755	4,171,048
Cash and cash equivalents (closing balance)	2,859,658	1,713,755
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 represent cash, balances with banks in current account (Refer to schedule 8 of the financial statements).		
3 Cash and Cash equivalents include:		
Cash in hand	416,244	437,772
Balances with scheduled banks		
- on current account	2,443,414	1,275,983
Cash and cash equivalents (closing balance)	2,859,658	1,713,755
Cash and bank balances at the end of the year	2,859,658	1,713,755

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

H. K. CHHABRA
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

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

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

1.0 Significant Accounting Policies

1.1 Principles of Consolidation

- (i) 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 "Almondz Capital Group" comprising of the following :

S.No.	Name of the Subsidiary Company	Incorporated on	Country of Incorporation	% of voting power held as at	
				31 March 2014	31 March 2013
a)	Almondz Infosystem Private Limited	31 December 2012	India	100%	100%
b)	North Square Projects Private Limited	06 August 2012	India	100%	100%
c)	Express Infra Financial Consultancy Private Limited (subsidiary w.e.f. 10-01-2014)	07 August 2009	India	100%	Nil
d)	Latitude 23 Communication Limited (Subsidiary w.e.f. 31-03-2014)	28 September 2005	India	62.20%	Nil
e)	Almondz Insurance Brokers Private Limited (Subsidiary w.e.f. 01-01-2014)	27 March 2003	India	51%	Nil
f)	Almondz Reinsurance Brokers Private Limited (Subsidiary of Almondz Insurance Brokers Private Limited) (Subsidiary w.e.f. 01-01-2014)	27 December 2006	India	99.995% (indirect holding)	Nil

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

- a. The consolidated financial statements are prepared in accordance with the principles and procedures for preparation and presentation of consolidated account as set out in Accounting Standard (AS-21).

Subsidiary company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered. 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.

- b. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- c. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2014.

1.2 Significant accounting policies

(i) Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally

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

In preparation and presentation of these financial statements, the Company has adopted the Revised Schedule VI to the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Previous year's figures have been regrouped/reclassified to conform to the classification of assets and liabilities as at 31 March 2014.

(ii) Use of estimates

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

(iii) Revenue recognition

Advisory and consultancy services: Fees is booked on the completion of task/project as per the terms of agreement. However, where the percentage of completion is significant enough to ascertain the outcome

reliably, revenue is recognised to the extent it can be accurately measured.

- *Broking activities*: Income from broking on distribution operations is recognised on the closure of the issue of mutual funds, bonds, fixed deposits and other money market instruments. Income from equity stock broking operations is accrued on completion of transaction at the stock exchanges for commission from equity broking operations.
- In the case of trading in bonds, the profit/ loss from the transaction is recognised on the closure of the deal and consequent physical delivery of the bond.
- Dividend income is recognised when the right to receive the income is established.
- In the case of fixed income securities / deposits, interest is recognised on a time proportionate basis.
- In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(iv) Interest expense

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

(v) Expenditure

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

(vi) Retirements benefits

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

(a) Short term benefits

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

(b) Provident fund (Defined contribution plan)

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

(c) Gratuity (Defined benefit plan)

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company makes

contributions to the insurer's gratuity trust. The gratuity trust invests the contribution in insurer managed scheme. The gratuity liability is determined by an independent actuary appointed by the Company. Actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. Actuarial gains and losses are recognized immediately in the profit and loss account.

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

The Company provides for leave encashment based on actuarial valuation using projected unit credit method in respect of past service. In respect of compensated absences arising during the tenure of service, the defined benefit obligation is calculated taking into account the pattern of 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 recognized immediately in the profit and loss account.

(vii) Fixed assets

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

(viii) Impairment

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

(ix) Depreciation and amortisation

(a) Leasehold improvements are amortised over the lease period as stated in the lease agreement or over the estimated useful life, whichever is shorter.

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

(x) Investments

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

(xi) Foreign currency transactions

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

(xii) Taxation

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

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

(xiii) Provisions, contingent liabilities and contingent assets

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

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

(xiv) Earnings per share

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.1 Share capital

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	Amount	Number of Shares	Amount
Authorised 20,000,000 Equity shares of Rs. 10/- each	25,000,000	250,000,000	20,000,000	200,000,000
	25,000,000	250,000,000	20,000,000	200,000,000
Issued and subscribed 22,650,280 Equity shares of Rs. 10/- each (including 1,379,380 shares forfeited)	22,650,280	226,502,800	15,150,280	151,502,800
	22,650,280	226,502,800	15,150,280	151,502,800
Paid Up Capital 21,270,900 Equity shares of Rs. 10/- each, fully paid up Add : 1,379,380 shares forfeited	21,270,900 1,379,380	212,709,000 6,508,131	13,770,900 1,379,380	137,709,000 6,508,131
	22,650,280	219,217,131	15,150,280	144,217,131

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

Name of the Shareholders	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Navjeet Singh Sobti	3,792,549	17.83	3,792,549	27.54
Innovative Money Matters Pvt. Ltd.	4,796,702	22.55	2,796,702	20.31
Veena Gases & Chemicals Pvt. Ltd.	1,524,058	7.16	—	—
Swift Buildwell Pvt. Ltd.	—	—	902,988	6.56
Jasmeet Kaur Sethi	—	—	920,000	6.68
KKM Enterprises Pvt. Ltd.	—	—	973,430	7.07
	10,113,109	47.54	9,385,669	68.16

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013 is set out below :

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	13,770,900	137,709,000	13,770,900	137,709,000
Add : Shares Forfeited	1,379,380	6,508,131	1,379,380	6,508,131
Add : Issued during the year	7,500,000	75,000,000	—	—
Number of Shares at the end	22,650,280	219,217,131	15,150,280	144,217,131

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.2 Reserves and surplus

Particulars	As at 31 March 2014	As at 31 March 2013
Share Premium		
At the beginning of the year	136,417,900	136,417,900
Add : addition during the year	75,000,000	—
At the end of the year	211,417,900	136,417,900
Capital Reserve	74,448,968	74,448,968
Add : Capital Reserve of subsidiary concern	312,000	—
At the end of the year	74,760,968	74,448,968
Special reserve		
At the beginning of the year	9,477,558	9,477,558
Add : addition during the year	333,545	—
At the end of the year	9,811,103	9,477,558
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	122,459,505	108,554,384
Add : Profit after tax net of share in associate's profit and minority interest	(1,457,410)	—
Add : Profit for the Period (after Special Reserve)	826,376	(564,138)
Surplus available for Appropriation	121,828,471	107,990,246
Share of profit / (losses) of associates	26,186,490	14,469,259
Minority Interest	573,059	—
Net Surplus carried to balance sheet	444,577,991	342,803,931

2.3 Long-term provisions

Particulars	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits		
- Gratuity	29,392	30,253
- Compensated absences	67,879	67,337
	97,271	97,590

2.4 Short-term borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
Loan From Related Parties		
Unsecured	12,000	22,000
Loans from others		
Unsecured	75,560,947	—
	75,572,947	22,000

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.5 Trade Payable

Particulars	As at 31 March 2014	As at 31 March 2013
Trade Payable	71,781	—
	71,781	—

2.6 Other current liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Payable for Expenses	351,907	357,576
Statutory liabilities	24,953	46,345
Unpaid Dividend	195,274	310,238
	572,134	714,159

2.7 Short-term Provisions

Particulars	As at 31 March 2014	As at 31 March 2013
Contingent provision for standard Assets	33,964	164,137
Provision for Non performing assets	142,603	—
Provision for Taxation (MAT)	510,000	347,837
	686,567	511,974

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2014
(Amount in Indian Rupees)
2.8 Tangible assets

Cost	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions	As at 31 March 2014
Land (Plot No. A-007, Dharuhera)	10,551,100	5,943,853	(10,551,100)	5,943,853	—	—	5,943,853
Furniture and fixtures	79,920	—	—	79,920	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	93,300
Office equipments	21,800	14,200	—	36,000	—	—	36,000
Total	10,746,120	5,958,053	(10,551,100)	6,153,073	—	—	6,153,073

Depreciation	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions	As at 31 March 2014
Land (Plot No. A-007, Dharuhera)	—	—	—	—	—	—	—
Furniture and fixtures	38,406	41,514	—	79,920	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	93,300
Office equipments	5,539	1,447	—	6,986	1,935	—	8,921
Total	137,245	42,961	—	180,206	1,935	—	182,141

Carrying amounts	As at 31 March 2013		As at 31 March 2014
Land (Plot No. A-007, Dharuhera)	5,943,853		5,943,853
Furniture and fixtures	—		—
Computers and peripherals	—		—
Office equipments	29,014		27,079
Total	5,972,867		5,970,932

2.9 Intangible assets

Cost	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions / Other Adjust- ments	As at 31 March 2014
Painting and sculpture	984,120	369,354	—	1,353,474	—	1,353,474	—
Total	984,120	369,354	—	1,353,474	—	1,353,474	—

Amortisation	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	Additions	Deletions / Other Adjust- ments	As at 31 March 2014
Painting and sculpture	37,375	133,121	—	170,496	—	170,496	—
Total	37,375	133,121	—	170,496	—	170,496	—

Carrying amounts	As at 31 March 2013		As at 31 March 2014
Painting and sculpture	1,182,978		—
Total	1,182,978		—

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.10 Non-current Investments (valued at cost unless otherwise stated)

Particulars	As at 31 March 2014	As at 31 March 2013
Long-term, other investment		
(A) Unquoted		
Investment in equity shares		
Globus Industries & Services Ltd. 10,000 (P. Y. 10,000) equity shares of Rs. 10/- each fully Paid up	100,000	100,000
Latitude 23 Communications Ltd. Nil (P. Y. 75,000) equity shares of Rs. 10/- each fully Paid up	—	750,000
Almondz Insurance Brokers Pvt. Ltd. 918,000 (P. Y. Nil) equity shares fo Rs. 10/- each fully paid up	113,889,400	—
Yug Infrastrucutres Pvt. Ltd. 15,00,000 (P. Y. Nil) equity shares fo Rs. 10/- each fully paid up	15,000,000	—
Shiivaz Spas & Hospitality Pvt. Ltd. 20,000 (P. Y. 20,000) equity shares of Rs. 10/- each fully Paid up	200,000	200,000
Almondz Commodities Pvt.. Ltd. 2,50,000 (P. Y. 2,50,000) equity shares of Rs. 10/- each fully Paid up	2,500,000	2,500,000
	131,689,400	3,550,000
Less: Diminution in the value of investment	(1,851,700)	(588,700)
Total (A)	129,837,700	2,961,300
(B) Quoted		
Investment in equity shares		
Almondz Global Securities Ltd. 1,28,58,814 (P. Y. 1,28,58,814) equity shares of Rs. 6/- each, fully paid up	347,283,452	347,283,453
Add: Accumulated profit / (losses) from associates	79,584,051	53,397,561
Total (B)	426,867,503	400,681,014
(C) Investment in Immovable property	152,923,100	—
(D) Government securities		
National Savings Certificate	23,000	23,000
Less: Diminution in the value of investment	(23,000)	(23,000)
Total (D)	—	—
(E) Paintings & Sculpture		
Paintings & Sculpture	1,182,978	—
Total (A+B+C+D+E)	710,811,281	403,642,314

2.11 Inventories

Particulars	As at 31 March 2014	As at 31 March 2013
Equity Shares, quoted at Cost or net realisable value, whichever in lower	6,616,801	12,563,012
	6,616,801	12,563,012

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.12 Trade receivables

Particulars	As at 31 March 2014	As at 31 March 2013
Considered good		
outstanding for more than six months	—	—
- other debts	—	—
Considered doubtful		
- outstanding for more than six months	61,800	61,800
- other debts	—	—
	61,800	61,800
Less: Provision for doubtful debts	61,800	61,800
	—	—

2.13 Cash and cash equivalents

Particulars	As at 31 March 2014	As at 31 March 2013
Cash in Hand	416,244	437,772
Balances with scheduled banks :		
- on current accounts	2,443,414	1,275,983
	2,859,658	1,713,755

2.14 Short-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
Loans to Body Corporate / Others		
UnSecured, Considered good	8,070,503	60,189,978
Prepaid expenses	4,890	10,937
	8,075,393	60,200,915

2.15 Other Current Asset

Particulars	As at 31 March 2014	As at 31 March 2013
Advances recoverable in cash or in kind or for value to be received	1,392,656	127,089
Advance against share applicaion money	2,650,000	—
Fixed deposit with bank	400,000	—
Accrued interest but not due	12,636	—
Balance with service Tax Authorities	137,165	79,389
Advance tax and tax deducted at source	1,995,241	2,884,466
	6,587,698	3,090,944

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.16 Operating Income

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
a) Advisory and consultancy fees		
Advisory and consultancy fees	—	15,500,000
	—	15,500,000
b) Trading in shares and securities		
Net Income on trading of shares / securities		
Trading of shares		
Opening stock of shares	12,563,012	46,806,937
Add: Cost of shares purchased	57,370,206	107,313,443
	69,933,218	154,120,380
Less: Closing stock of shares	6,616,801	12,563,012
Cost of shares sold	63,316,417	141,557,368
Less: Sale of shares	64,052,144	135,749,018
	735,727	(5,808,350)
Profit / (Loss) on derivatives	1,947,700	(11,629,104)
	2,683,427	(17,437,454)
c) Interest income		
Interest from Loans (Gross of tax deducted at source Rs. 4,69,635/- (Previous Year Rs. 11,39,757/-))	3,486,808	6,335,735
	3,486,808	6,335,735
Total Operating Income (a+b+c)	6,170,235	4,398,280

2.17 Other Operating Income

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Dividend Received	21,778	35,255
Profit on sale of investment	—	1,176,811
	21,778	1,212,066

2.18 Other income

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Miscellaneous income	125,366	156,190
Excess provision of Retirement benefit written back	861	27,800
Excess provision written back	130,173	49,802
Provision for Bad debts written back	—	12,239,347
	256,400	12,473,139

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.19 Operating Expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Interest Expenses (loans)	—	2,092,223
	—	2,092,223

2.20 Employee benefits expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, bonus and other allowances	1,932,911	2,214,720
Provisions for Retirement benefits	542	89,379
Staff welfare	17,871	17,079
Contribution to Provident and other funds	10,644	10,644
	1,961,968	2,331,822

2.21 Depreciation & Amortisation expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Depreciation on :		
Tangible Assets	1,935	42,961
Intangible Assets	—	133,121
	1,935	176,082

2.22 Other expenses

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Bank charges	12,317	4,539
Audit Remuneration	112,860	101,742
Printing and stationery	309,544	170,275
Travelling and conveyance	96,123	75,340
Communication expenses	45,419	52,612
Legal and professional charges	753,304	595,146
Advertisement	23,231	120,872
Rates and taxes	854,081	81,841
Bad debts written off	—	12,239,347
Preliminary expenses written off	4,000	—
Provision for diminution in investment	1,263,000	—
Provision of bad Debts	—	61,800
Other expenses	175,448	215,195
	3,649,327	13,718,709

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.23 Contingent Liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Corporate Guarantee (issued in favour of Almondz Global Securities Limited to Axis Bank Limited)	255,000,000	255,000,000

2.24 The detail of prior period items are as follows :

Particulars	As at 31 March 2014	As at 31 March 2013
Expenses		
Legal and professional charges	15,927	—
Communication expenses	2,170	—
Others	5,000	—
Prior period expenses	23,097	—
Income		
Legal and professional charges	—	11,000
Others	—	8,047
Prior period income	—	19,047
Prior period expenses (Net)	23,097	(19,047)

2.25 Disclosures required under AS-15-Employee Benefits

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

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

Particulars	Gratuity	
	31 March 2014	31 March 2013
Opening defined benefit obligation	27,064	4,609
Interest cost	2,219	392
Current service cost	19,533	22,287
Benefits paid	—	—
Actuarial (gain)/ loss on obligation	(8,072)	(224)
Closing defined benefit obligation	40,744	27,064

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

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

Particulars	Gratuity	
	31 March 2014	31 March 2013
Opening fair value of plan assets	7,930	63,817
Expected return	2,837	5,745
Contributions by employer	—	—
Benefits paid	—	—
Actuarial gain / (losses)	585	(61,632)
Closing fair value of plan assets	11,352	7,930

iii) Statement of Profit and Loss :

Particulars	Gratuity	
	31 March 2014	31 March 2013
Current service cost	19,533	22,287
Interest cost	2,219	392
Expected return on plan assets	(2,836)	(4,743)
Actuarial gain / (losses)	(8,657)	49,288
Net benefit expense	(10,259)	(67,224)
Actual return on plan assets	(9,274)	(44,769)

iv) Balance sheet :

Particulars	Gratuity	
	31 March 2014	31 March 2013
Defined benefit obligation	(30,253)	(48,090)
Fair value of plan assets	(861)	(78,343)
Employer Contribution	—	—
Plan Liability / (Asset)	29,392	(30,253)

Liability in respect of leave encashment at the end of the current year amounts to Rs. 67,879/-.

Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Mortality table (LIC)	(2006-08)	(1994-96)	(2006-08)	(1994-96)
Discount rate	8.80%	8.20%	8.80%	8.20%
Expected rate of return on plan assets	9.00%	9.00%	9.00%	N.A
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.26 Managerial Remuneration :

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
a) Managing Director : Salary, Wages & Allowances	1,305,720	1,198,920

2.27 Details of income and expenditure in foreign currency :

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
(i) Income earned in foreign Currency		
Brokerage	NIL	NIL
Total	NIL	NIL
(ii) Expenditure incurred in foreign Currency		
Travelling Expenses	NIL	NIL
Membership and Subscription	NIL	NIL
Books and Periodicals Expenses	NIL	NIL
Bank charges	NIL	NIL
Conference expenses	NIL	NIL
Total	NIL	NIL

2.28 Deferred tax

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

Components	As at 31 March 2014		As at 31 March 2013	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Fixed Assets	624,661	—	625,501	—
Provision for retirement benefit	—	33,062	—	33,171
Contingent Provision	—	11,544	—	55,790
Miscellaneous expenditure to the extent not written off or adjusted	22,094	—	44,187	—
Unabsorbed Capital Loss	7,754,415	—	2,650,606	—
Total	8,401,170	44,606	3,320,294	88,961
Net deferred tax liability / (Assets)		(8,356,564)		(3,231,333)
Less : Not recognised in financials (see remark below)		(8,356,564)		(3,231,333)
As per financials		—		—

Remarks

Since net results is amounting to Deferred Tax Assets in Avonmore Capital & Management Services Limited and its wholly owned subsidiaries, the same has not been recognized in these accounts as per conservative accounting policies of the company.

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.29 Earnings per share :

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

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Net Profit After Tax available for equity shareholders (A)	27,346,411	13,905,120
Weighted average number of equity shares for Basic EPS (B)	13,791,448	13,770,900
Add: Weighted average number of potential equity shares that could rise on conversion of option warrants having dilution effect	NIL	NIL
Weighted average number of equity shares for Diluted EPS (C)	13,791,448	13,770,900
Basic EPS (A/B)	1.98	1.01
Diluted EPS (A/C)	1.98	1.01

2.30 Payment to Auditors'

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Statutory Auditors (exclusive of service tax)		
Audit Fee	98,371	95,000
Tax Audit Fee	20,000	20,000
Certification Fee	60,006	66,185
Others	6,505	8,871
	184,882	190,056

2.31 Related Party Disclosure

Names of related parties and description of relationship :

(i) Associates :

- a) M/s Almondz Global Securities Ltd.
- b) M/s Almondz Finanz Limited
- c) M/s Almondz Commodities Pvt. Ltd.
- d) M/s Shivaz Spas & Hospitality Pvt. Ltd.
- e) M/s Yug Infrastructures Pvt. Ltd.

(ii) Key Managerial Personnel :

- a) Mr. Ashok Kumar Gupta - Managing Director

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2014
(Amount in Indian Rupees)

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

S. No.	Particulars	Amount 31 March 2014	Amount 31 March 2013
1)	Transactions during the Year		
(A)	Income	—	—
	Interest received		
a	Associates	258,924	40,068
	Almondz Commodities Private Limited	258,924	40,068
(B)	Expenditure	1,567,020	5,766,646
a	Managerial Remuneration	1,305,720	1,198,920
	Key Managerial Personnel	1,305,720	1,198,920
	Ashok Kumar Gupta	1,305,720	1,198,920
b	Interest Paid	—	2,053,647
	Associates	—	2,053,647
	Almondz Global Securities Limited	—	117,452
	Almondz Finanz Limited	—	1,936,195
c	Expenses Reimbursed	—	—
	Associates	—	—
	Almondz Global Securities Limited	—	—
d	Brokerage and DP Charges	261,300	2,514,079
	Associates	261,300	2,514,079
	Almondz Global Securities Limited	261,300	2,514,079
(C)	Assets/Liabilities		
a	Investments made during the year	15,000,000	—
	Associates	15,000,000	—
	Almondz Commodities Pvt Ltd.	—	—
	Almondz Global Securities Limited	—	—
	Yug Infrastructures Pvt. Ltd.	15,000,000	—
b	Loans and Advances	—	37,500,000
	Loan paid/adjustments during the year	—	37,500,000
	Associates	—	37,500,000
	Almondz Global Securities Limited	—	—
	Almondz Finanz Limited	—	37,500,000
c	Loan Receipts/adjustments during the year		
	Associates	—	37,500,000
	Almondz Global Securities Limited	—	—
	Almondz Finanz Limited	—	37,500,000

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

S. No.	Particulars	Amount 31 March 2014	Amount 31 March 2013
d	Unsecured Loan		
	Loan taken during the year	6,050,000	78,200,000
	Associates	6,050,000	78,200,000
	Almondz Global Securities Limited	—	38,200,000
	Almondz Finanz Limited	—	40,000,000
	Almondz Commodities Pvt Ltd.	6,050,000	—
e	Loan Repayment during the year	5,050,100	136,800,000
	Associates	5,050,100	136,800,000
	Almondz Global Securities Limited	—	38,200,000
	Almondz Finanz Limited	—	98,600,000
	Almondz Commodities Pvt. Ltd.	5,050,100	—
2	Closing balance as at March 31, 2014		
a	Debtors / Receivables	909,182	111,395
	Associates	909,182	111,395
	Almondz Global Securities Limited (Client A/c)	909,182	111,395
b	Investments	364,983,453	349,983,453
	Associates	364,983,453	349,983,453
	Almondz Commodities Pvt. Ltd.	2,500,000	2,500,000
	Almondz Global Securities Limited	347,283,453	347,283,453
	Shivaz Spas & Hospitality Private Limited	200,000	200,000
	Yug Infrastructures Pvt. Ltd.	15,000,000	—
c	Loans and Advances	1,000,000	—
	Associates	1,000,000	—
	Almondz Commodities Pvt. Ltd.	1,000,000	—

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.32 Segment Reporting :

For the year ended 31 March 2014

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
Segment Revenue				
Gross Segment Revenue	—	6,322,186	126,226	6,448,412
Less : Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	—	6,322,186	126,226	6,448,412
Segment Results				
Segment Result before Prior Period Items	—	1,505,560	(4,157,185)	(2,651,625)
Add : Interest Income	—	3,486,808	—	3,486,808
Less : Interest Expenses	—	—	—	—
Prior Period Expenses / (Income)	—	—	23,097	23,097
Profit before Tax	—	4,992,368	(4,180,282)	812,086
Less : Provision for Tax	—	—	(347,835)	(347,835)
Profit after Tax	—	4,992,368	(3,832,447)	1,159,921
Other Information				
Segment Assets	—	497,834,933	243,086,831	740,921,764
Segment Liabilities	—	16,460,947	60,539,753	77,000,700
Capital Expenditure	—	—	—	—
Depreciation	—	—	1,935	1,935
Non cash expenditure other than depreciation (net of non-cash income)	—	1,136,827	(319)	1,136,508

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

For the year ended 31 March 2013

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
Segment Revenue				
Gross Segment Revenue	27,739,347	(9,839,852)	183,991	18,083,486
Less : Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	27,739,347	(9,839,852)	183,991	18,083,486
Segment Results				
Segment Result before Prior Period Items	15,438,200	(16,214,111)	(3,702,951)	(4,478,862)
Add : Interest Income	—	6,335,735	—	6,335,735
Less : Interest Expenses	—	2,092,223	—	2,092,223
Prior Period Expenses / (Income)	—	—	(19,047)	(19,047)
Profit before Tax	15,438,200	(11,970,599)	(3,683,904)	(216,303)
Less : Provision for Tax	—	—	347,835	347,835
Profit after Tax	15,438,200	(11,970,599)	(4,031,739)	(564,138)
Other Information				
Segment Assets	—	423,282,111	64,736,837	488,018,948
Segment Liabilities	—	547	997,339	997,886
Capital Expenditure	—	—	6,313,207	6,313,207
Depreciation	—	—	176,082	176,082
Non cash expenditure other than depreciation (net of non-cash income)	61,800	(49,802)	(27,800)	(15,802)

- Fees and Commission activities comprises of broking / commission / underwriting / arranger fees mainly in the nature of services involving no or negligible financial risk.
- Income from Investments and trading comprises of dividend received on shares, interest on Fixed Deposits, Profit on trading activities, Profit on sale of Investment & Interest on loan.
- The accounting policies of the segments are the same, to the extent possible, as those described in the summary of significant accounting policies as referred to in Note '1' to the accounts.

Accounting policies for segment reporting

- 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'.

Notes to the consolidated financial statements for the year ended 31 March 2014

(Amount in Indian Rupees)

2.33 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 2014.

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

H. K. CHHABRA
Partner
(FCA – Membership No. 089616)
Place : New Delhi
Date : 28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

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

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Avonmore Capital & Management Services Limited
(Consolidated financial statements)
Financial year ended 31 March 2014

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

(Amount in Rupees Lacs)

Name of the Subsidiary Company	North Square Projects Private Limited	Almondz Infosystem Private Limited	Latitude 23 Communications Limited	Express Infra Financial Consultancy Private Limited	Almondz Insurance Brokers Private Limited	Almondz Re-Insurance Brokers Private Limited
Total issued Equity Share Capital of the Subsidiary Company	5.00	5.00	18.49	500.00	180.00	200.00
Reserves of the subsidiary	(0.44)	(0.28)	(15.16)	(4.52)	951.05	1,088.10
Total Assets of the Subsidiary	59.74	4.88	3.88	1,537.53	1,826.54	2,365.14
Total Liabilities of the Subsidiary	55.19	0.16	0.06	1,042.05	695.49	1,077.03
Investments (other than in subsidiary companies)	—	—	—	1,529.23	—	—
Total Turnover	—	0.16	—	—	4,500.08	2,928.31
Profit / (Loss) before taxation	(0.09)	0.12	(0.71)	(4.38)	890.27	848.66
Provision for taxation (including Deferred Tax)	—	—	—	0.01	264.94	277.41
Profit / (Loss) after taxation	(0.09)	0.12	(0.71)	(4.39)	625.33	571.25
Proposed Dividend	—	—	—	—	—	—

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

New Delhi
28th May, 2014

Reema Sachdeva
Company Secretary
(ACS : A26673)

Shruti Aggarwal
Chief Finance Officer

Govind Prasad Agrawal
Director
(DIN : 00008429)

Ashok Kumar Gupta
Managing Director
(DIN : 02590928)

Amount in Rs.(Lacs)

(4)	Break - up of Investments	Amount
	Current Investments :	
	(1) Quoted :	
	(i) Shares : (a) Equity	—
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	(2) Unquoted :	
	(i) Shares : (a) Equity	—
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	Outstanding	
	Long Term Investments :	
	(1) Quoted :	
	(i) Shares : (a) Equity	3,472.83
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	(2) Unquoted :	
	(i) shares : (a) Equity	1,816.76
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	11.83
	Total	5,301.42

(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	—	55.15	55.15
(b) Companies in the same group	—	10.92	10.92
(c) Other related parties	—	—	—
(2) Other than related parties	—	69.78	69.78
Total	—	135.85	135.85

(Rs. in Lacs)

(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	1,657.27	1,651.27
	(b) Companies in the same group	3,650.83	3,638.32
(c) Other related parties	—	—	
(2) Other than related parties			
	11.83	11.83	
Total			
	5,319.93	5,301.42	

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