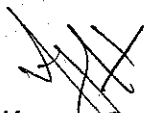
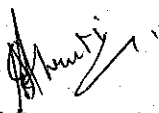
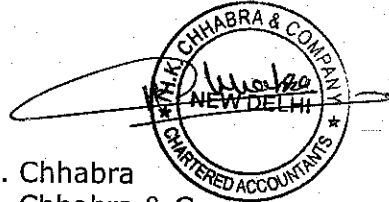
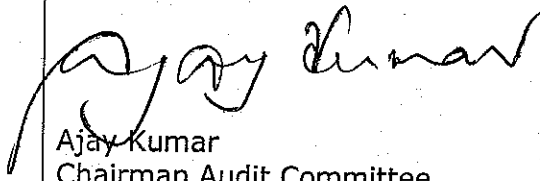


# Avonmore Capital & Management Services Ltd.

## FORM A

1.	Name of the Company	Avonmore Capital & Management Services Ltd.
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2015
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 H.K. Chhabra & Co. Proprietor Statutory Auditors   Ajay Kumar Chairman Audit Committee	

# AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Corporate Identity Number (CIN) : L67190DL1991PLC045857

Regd. Office : F-33/3, Phase-II, Okhla Industrial Area, New Delhi - 110 020

Tel : 011-26385056; Fax : 011-43500787;

Website : [www.avonmorecapital.in](http://www.avonmorecapital.in); email id : delhi@almondz.com

## NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED will be held on Tuesday the 29th day of September, 2015, at 2.30 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 2015 and the Statement of Profit and Loss of the Company for the year ended on that date, together with Directors’ Report and Auditors’ Report thereon as presented to the meeting, be and are hereby, approved and adopted.”

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

“RESOLVED THAT Mr. Govind Prasad Agrawal, 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 Annual General Meeting of the Company to be held in 2020, 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 Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, Ms. Ashu Gupta, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 20, 2015 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Ms. Ashu Gupta for the office of the Director of the Company, be and is hereby elected and appointed as a Non-Executive Director, whose period of office shall be liable to determination by retirement of directors by rotation.”

By Order of the Board of Directors  
For **Avonmore Capital & Management Services Limited**

New Delhi  
14th August, 2015

**Kunal Madaan**  
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 No. 4 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 No. 4 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. The Register of Members and Transfer Books of the Company will be closed from Wednesday, 23 September 2015 to Tuesday, 29 September 2015, (both days inclusive).
4. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent namely Beetal Financial & Computer Services Pvt. Ltd. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
5. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
6. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.
7. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. 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.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. The Company is registered with the following depositories for dematerialization of its Equity Shares :
  - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013
  - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400001The Registration No. granted by NSDL & CDSL is ISIN INE-INE323B01016.
11. The Notice of the AGM along with the Annual Report 2014-15 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.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA / Depositories.
13. 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.
14. Members desiring any information / clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
15. Details of Directors seeking appointment / re-appointment at the Annual General Meeting of the Company are provided in Annexure A of this Notice. The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreements, are furnished in the Statement on Corporate Governance in this Annual Report.
16. M/s. **C. B. Mishra & Associates**, Practicing Company Secretaries (Membership No. FCS 4006), has been appointed as the Scrutinizer to scrutinize the voting and remote 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.
17. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
18. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

19. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
20. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [complianceacms@avonmorecapital.in](mailto:complianceacms@avonmorecapital.in) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, **C. B. Mishra & Associates** not later than Monday, September 28, 2015 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.
21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.avonmorecapital.in](http://www.avonmorecapital.in) and on the website of CDSL <https://www.evotingindia.co.in> within three days of the passing of the resolutions at the 23rd AGM of the Company on September 29, 2015 and communicated to the Bombay Stock Exchange Limited and Delhi Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors  
For **Avonmore Capital & Management Services Limited**

New Delhi  
14th August, 2015

**Kunal Madaan**  
Company Secretary

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### **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 No. 4 of the accompanying Notice.

**Item No. 4 :**

Ms. Ashu Gupta was appointed as an Additional Director w.e.f. 20.03.2015 pursuant to Section 161 of the Companies Act, 2013. She holds office till conclusion of this Annual General Meeting. Ms. Ashu Gupta is a commerce graduate from Delhi University, Bachelor of Law (L.L.B.) from Delhi University and became Company Secretary from the Institute of Company Secretaries of India (ICSI) in 1995. She has immense knowledge and experience of over 18 years in almost every facet of Corporate Secretarial, Legal Advisory and consulting profession. She is well exposed in handling corporate legal matters and dealing with various regulatory authorities like Registrar of Companies (ROC), Regional Director (RD), Company Law Board (CLB), Ministry of Corporate Affairs, Securities & Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI) etc.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Ashu Gupta for the office of Director of the Company. Keeping in view the experience and expertise of Ms. Ashu Gupta, the Board considers it desirable that the Company should receive the benefit of her valuable experience and advice and accordingly recommends the resolution for approval by the members.

Except Ms. Ashu Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

By Order of the Board of Directors  
For **Avonmore Capital & Management Services Limited**

New Delhi  
14th August, 2015

**Kunal Madaan**  
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	Ashu Gupta <sup>®</sup>
Date of Birth	09 September, 1954	23 December, 1969
Relationship with Directors	None	None
Expertise in specific functional area	Wide managerial experience in finance, law and administration	Immence Knowledge in Corporarate, Secretarial, Legal Advisory and Consulting Profession
Qualification	B.Com, FCS, LL.B	B.Com, FCS, LL.B
Board Membership of other companies as on March 31, 2015 <sup>*</sup>	10	NIL
Chairman / Member of the Committee of the Board of Directors as on March 31, 2015	3	NIL
Chairman / Member of the Committee OF Directors of other companies in which he / she is a director as on March 31, 2015		
a) Audit Committee	2	NIL
b) Stakeholders Relationship Committee	1	NIL
c) Nomination and Remuneration Committee	2	NIL
Number of shares held in the Company as on March 31, 2015 <sup>**</sup>	64895	NIL

Note :

<sup>\*</sup> 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.

<sup>\*\*</sup> Includes shares held jointly with immediate family members.

<sup>®</sup> Ms. Ashu Gupta has been appointed Additional Director w.e.f. 20.03.2015.

**The instructions for shareholders voting electronically are as under :**

- (i) The voting period begins on September 26, 2015 at 10:00 a.m. and ends on September 28, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **cut-off date i.e. September 22, 2015** (e-voting & remote e-voting) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat &amp; Physical Form</b>	
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"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on mailing address.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Detail Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Note for Non – Individual Shareholders and Custodians.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the **cut-off date i.e. September 23, 2015** (e-voting & remote e-voting) may follow the same instructions as mentioned above for e-Voting.
  - (ii) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**The instructions for shareholders voting physically are as under :**

1. A Shareholder desirous of exercising vote by physical Ballot should complete the Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed envelope on which postage will be paid by the Company which shall be properly sealed with adhesive stamp or adhesive tape. However, envelopes containing Ballot Form, if sent by courier, at the expense of the Member will also be accepted. Members are requested to convey their assent or dissent in this Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.
2. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address to which the same needs to be dispatched.
3. The Ballot Form should be signed by the Shareholder as per specimen signature registered with the Registrar/Depository. In case the Equity Shares are jointly held, this Form should be completed and signed (as per specimen signature registered with Registrar/Depository) by the first named Member and in his/her absence, by the next named Member. Holders of Power of Attorney (POA) on behalf of the Members may vote on the Ballot mentioning the registration number of the POA or enclosing an attested copy of the POA. Unsigned Ballot Forms will be rejected.
4. Duly completed Ballot Form should reach the Scrutinizer not later than 5.00 pm on September 28, 2015. Ballot Form received after that date will be strictly treated as if reply from such Member has not been received. The Members are requested to send the duly completed Ballot Forms well before the last date providing sufficient time for the postal transit.
5. In case of Equity Shares held by companies, trusts, societies, etc., the duly completed Ballot Form should be accompanied by a certified copy of Board Resolution/authority and preferably with attested specimen signature(s) of the duly authorized signatories giving requisite authorities to the person voting on the Ballot Form.
6. Shareholders are requested not to send any paper (other than the Resolution/authority as mentioned under instruction above) along with the Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
7. There will be only one Ballot Form for every folio/client ID irrespective of the number of the joint Members. On receipt of the duplicate Ballot Form, the original will be rejected.
8. A Member may request for a duplicate Ballot Form, if so required or can download the Ballot Form from the Company’s website [www.avonmorecapital.in](http://www.avonmorecapital.in) and the duly completed Ballot Form should reach the Scrutinizer not later than the last date for voting mentioned above.
9. The votes should be cast either in favour of or against by putting the tick (✓) mark in the column provided for assent or dissent. Ballot Form bearing (✓) in both the columns will render the Form invalid.
10. Incomplete, unsigned or improperly or incorrectly filled Ballot Form shall be rejected.

**PROXY FORM**  
**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Corporate Identity Number (CIN) : L67190DL1991PLC045857  
**Regd. Office** : F-33/3, Phase-II, Okhla Industrial Area, New Delhi - 110 020  
 Tel : 011-26385056; Fax : 011-43500787;  
 Website : [www.avonmorecapital.in](http://www.avonmorecapital.in); email id : delhi@almondz.com

Name of the Member(s) : Address of the Member : E-mail ID : Client ID No./Regd. Folio No.* : DP ID No. :
--

\* Applicable for investors holding shares in physical form.

I/We being a Member/Members of \_\_\_\_\_ shares of the above named Company hereby appoint

1. Name \_\_\_\_\_ Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her
2. Name \_\_\_\_\_ Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her
3. Name \_\_\_\_\_ Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Tuesday, the 29th day of September, 2015 at 2.30 P.M. at M. P. C. U. Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi – 110 054 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolution	For	Against
1.	Adoption of Annual Financial Reports and Reports of Directors and Auditors of the Company		
2.	Re-appointment of Mr. Govind Prasad Agrawal as Director of the Company		
3.	Re-appointment of M/s H.K. Chhabra & Co., as Statutory Auditors of the Company		
4.	Appointment of Ms. Ashu Gupta, as a Non-Executive Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of Shareholder \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Affix a Re. 1/- Revenue Stamp
--

- NOTE : (i) this form of proxy in order to be effective should be duly completed and deposited at Registered office of the Company, not less than 48 hours before the commencement of the Meeting.  
 (ii) Please complete all details including all details of Member(s) in above box before submission

-----TEAR HERE-----

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Corporate Identity Number (CIN) : L67190DL1991PLC045857  
**Regd. Office** : F-33/3, Phase-II, Okhla Industrial Area, New Delhi - 110 020  
 Tel : 011-26385056; Fax : 011-43500787;  
 Website : [www.avonmorecapital.in](http://www.avonmorecapital.in); email id : delhi@almondz.com

**ATTENDANCE SLIP**

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company held on Tuesday the 29th day of September, 2015 at 2.30 P.M. at M. P. C. U. Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi – 110 054

Name of the Member / Proxy \_\_\_\_\_

(in block letters)

Please (✓) in the Appropriate Box  Member  Proxy

<b>CLIENT ID No.</b>	
----------------------	--

<b>No. of Shares</b>	
----------------------	--

<b>D P I D No.</b>	
--------------------	--

<b>Regd. Folio No. *</b>	
--------------------------	--

(Signature of the Member / Proxy)

\* Applicable for investor holding shares in physical form.

TEAR HERE





# AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Corporate Identity Number (CIN) : L67190DL1991PLC045857

Regd. Office : F-33/3, Phase-II, Okhla Industrial Area, New Delhi - 110 020

Tel : 011-26385056; Fax : 011-43500787;

Website : [www.avonmorecapital.in](http://www.avonmorecapital.in); email id : [delhi@almondz.com](mailto:delhi@almondz.com)

## BALLOT FORM

1. Name (s) of Shareholder(s) / Beneficial Owner :  
including joint-holders, if any
  
2. Registered Address of the Sole /  
First named Shareholder :
  
3. Registered Folio No. / Client ID No. :
  
4. No. of Shares held :
  
5. I / we hereby exercise my / our vote in respect of the Resolution / s to be passed through Ballot for the business stated in the Notice of the Company by sending my / our assent / dissent to the said Resolution / s by placing Tick (✓) mark at the appropriate box below :

S. No.	Resolution Type	Particulars	I / We assent to the Resolution / s	I / We dissent to the Resolution / s
1.	Ordinary Resolution	Resolution for Adoption of Financial Reports and Reports of Directors and Auditors of the Company		
2.	Ordinary Resolution	Resolution for re-appointment of Mr. Govind Prasad Agrawal as Director of the Company		
3.	Ordinary Resolution	Resolution for re-appointment of M/s. H. K. Chhabra & Co., as Statutory Auditors of the Company pursuant to the provisions of Section 139 of the Companies Act, 2013		
4.	Ordinary Resolution	Resolution for Appointment of Ms. Ashu Gupta as a Non-Executive Director of the Company pursuant to the provisions of Sections 152 and 161 read with Schedule IV and any other applicable provisions of the Companies Act, 2013		

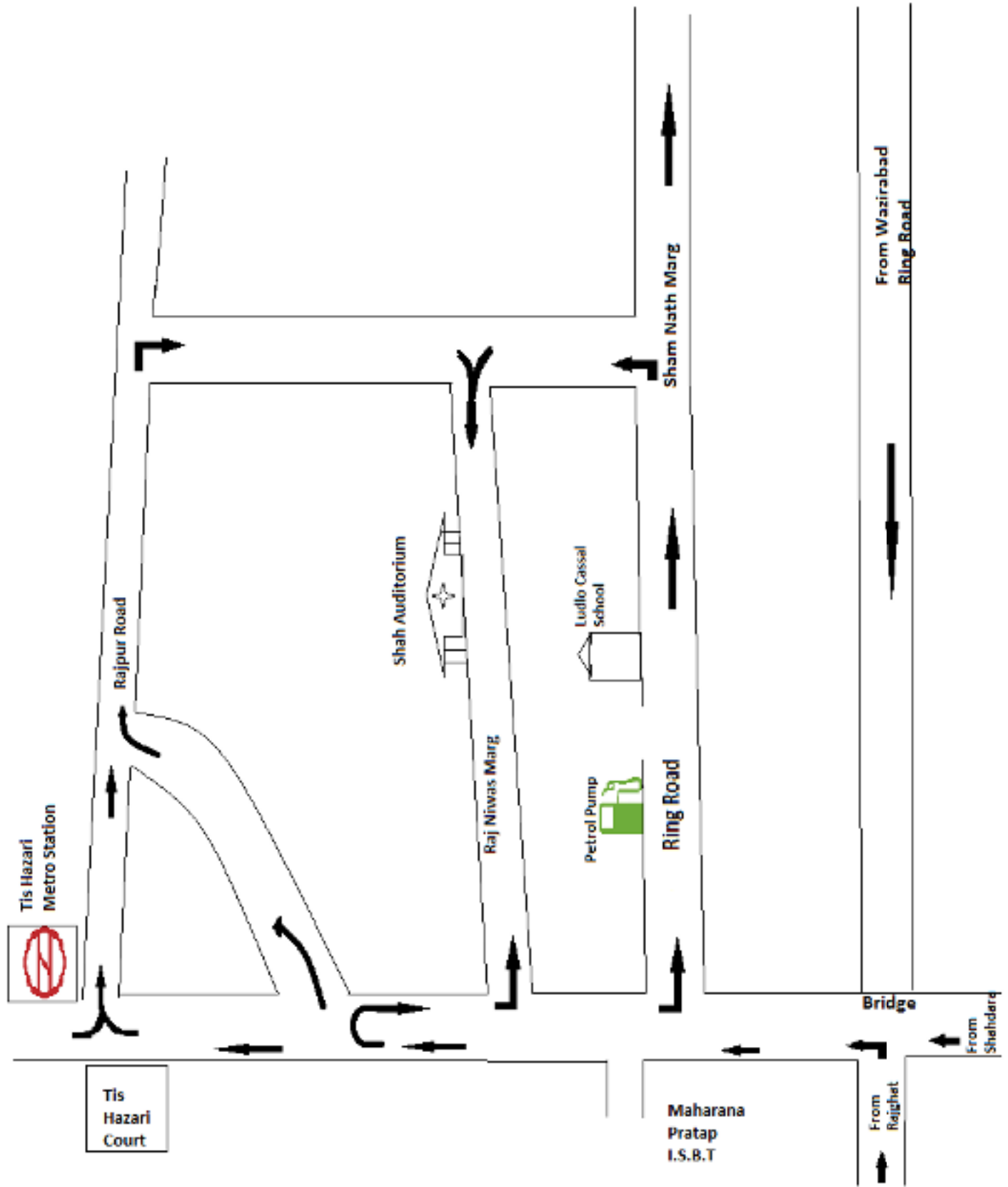
Place :

Date :

Signature of the Shareholder / Beneficial Owner

TEAR HERE

**VENUE MAP FOR ANNUAL GENERAL MEETING, MPCU SHAH AUDITORIUM**



Tis Hazari Metro Station

Tis Hazari Court

Rajpur Road

Shah Auditorium

Raj Niwas Marg

Petrol Pump

Ludko Cassal School

Ring Road

Sham Nath Marg

From Wazirabad Ring Road

Bridge

Maharana Pratap I.S.B.T

From Rajghat

From Shahdara

## Corporate Information

<b>Board of Directors</b>	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 Ms. Ashu Gupta – Non-Executive & Independent Director
<b>Company Secretary</b>	Kunal Madaan
<b>Auditors</b>	M/s. H. K. Chhabra & Co., Chartered Accountants 49, DDA, SFS, Pocket - 2 Sector-9, Dwarka, New Delhi - 110 077
<b>Bankers</b>	HDFC Bank Ltd. AXIS Bank Ltd.
<b>Registrar &amp; Share Transfer Agent</b>	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
<b>Registered Office</b>	F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110 020

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## Directors' Report

**To the Members,**

The Board of Directors of your Company have pleasure in presenting the 23rd Annual Report of the Company along with the Audited statement of accounts and the Auditor's Report for the year ended 31st March, 2015.

**FINANCIAL RESULTS**

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

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014
Gross Income	461.00	64.32
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>387.92</b>	13.45
Less / (Add) : Prior Period Items expenses / (income)	0.04	0.23
Less : Interest	28.46	—
Less : Provision / (Reversal of Depreciation)	0.09	0.02
Less : Provisions for Taxes	16.93	(3.48)
<b>Net Profit after Tax</b>	<b>342.40</b>	<b>16.68</b>

**BUSINESS REVIEW/STATE OF THE COMPANY'S AFFAIRS**

Total revenues for the year ended March, 31, 2015 amounted to Rs 461 Lacs as compared to Rs. 64.32 Lacs in the previous year. Profit before interest and depreciation for the financial year 2014-15 is amounted to Rs. 387.92 Lacs as against Rs. 13.45 Lacs in the last year. The Profit for the financial year 2014-15 is Rs. 342.40 Lacs as against the profit of Rs. 16.68 Lacs in the previous financial year.

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

**RBI GUIDELINES**

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

**DIVIDEND**

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

**RESERVES**

Our Company has in accordance with the provisions of Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, created a Reserve Fund and during the year under review the Company has transferred an amount of Rs. 68,48,058 out of the profits of the year to the said Reserve Fund.

**CHANGE IN SHARE CAPITAL**

During the year under report, your Company raised the Authorized Capital of the Company to Rs. 30,00,00,000/- consisting of 3,00,00,000 Equity Shares of Rs 10/- each.

During the Year under report, 30,00,000 Equity Shares of Rs. 10/- each were issued by the Company thereby raising the Paid-up Capital at Rs. 24,92,17,131/-

**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 AND ASSOCIATE COMPANIES**

As on March 31, 2015, your Company has the following entities as its subsidiaries and Associates :

- a. Almondz Infosystem Private Limited
- b. Almondz Insurance Brokers Private Limited
- c. Almondz Re-Insurance Brokers Private Limited (Step-down Subsidiary)
- d. Express Infra Financial Consultancy Private Limited
- e. Latitude 23 Communications Limited
- f. Apricot Infocsoft Private Limited
- g. Shivsathi Niketan Limited
- h. Avonmore Developers Private Limited
- i. Anemone Holdings Private Limited
- j. Glow Apparels Private Limited
- k. Almondz Global Securities Limited (Associate)
- l. Yug Infrastructures Private Limited (Associate)

During the period under report, Almondz Global Securities Limited and Red Solutions Private Limited have also became the subsidiaries of your Company w.e.f 01.04-2015 and 17.07.2015 respectively.

Pursuant to Sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

of a company's subsidiary or subsidiaries, associate company or companies in the prescribed format AOC-1 is attached with the Balance Sheet of the Company for the financial year ended March 31, 2015.

### CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Clause 32 and 50 of the Listing Agreement and Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements as per the Accounting Standards applicable to the Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Audited Consolidated Financial Statements along with the Auditors' Report are annexed with this Report. The said Financial Statements are also available on the website of the Company, [www.avonmorecapital.in](http://www.avonmorecapital.in)

### 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 AND KEY MANAGERIAL PERSONNEL

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

- ◆ Mr. Sanjay Grover, Non-Executive Independent Director of the Company resigned from the directorship of the Company w.e.f. 26.05.2014. The Board of Directors placed on record their appreciation for the valuable services and guidance provided by him during his tenure as Director of the Company.
- ◆ Ms. Ashu Gupta was appointed as an Additional Director of the Company w.e.f. 20 March 2015. Her tenure is expiring at the ensuing Annual General Meeting of the Company. She has expressed her willingness to accept the office as the Director of the Company and offer herself for re-appointment at the forthcoming Annual General Meeting of the Company.
- ◆ In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Govind Prasad Agrawal is liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible have offered himself for his appointment. Your Board recommends his re-appointment.
- ◆ Ms. Reema Sachdeva stepped down as the Company Secretary, with effect from September 30, 2014 and Mr. Kunal Madaan was appointed as the Company Secretary and a KMP, with effect from December 5, 2014.

Pursuant to sub-section (6) of Section 149 of the Companies Act, 2013, a declaration by Independent Director(s) that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 is received and taken on record.

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

### LISTING

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

### SECRETARIAL AUDITORS

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s N. Gupta & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2015, The Secretarial Audit report in the prescribed Form No MR-3, is annexed as Annexure-1.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS AND AUDITORS' REPORT

M/s H.K.Chhabra & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting is recommended for re-appointment of the Company's Auditors for a period of 5 years from the conclusion of ensuing annual general meeting till the conclusion of Annual General Meeting of the Company to be held in year 2020 subject to ratification every year. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013

Further, the report of the Statutory Auditors alongwith notes to Schedules is enclosed to this report. The Auditors' Report is self-explanatory and therefore do not call for any further comments.

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

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

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

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

### PARTICULARS OF EMPLOYEES

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

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

### 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, 2015, was submitted to the Board of Directors at their meeting held on May 29, 2015. The certificate is attached to the Report on Corporate Governance.

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

(54 of 1969)

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

Mr. Navjeet Singh Sobti

Ms. Gurpreet N S Sobti

Innovative Money Matters Private Limited

Almondz Global Securities Limited

Or any other Company, firm or trust promoted or controlled by the above. The above disclosure has been made; inter alia, for the purpose of Regulation 10(1)(a)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

### MEETINGS OF THE BOARD

During the year 6(six) meetings of the Board of Directors were held i.e. 28th May, 2014; 14th August, 2014; 14th November, 2014, 13th February, 2015, 20th February 2015 and 30th March 2015. For further details, please refer report on Corporate Governance forming part of Annual Report.

### AUDIT COMMITTEE

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

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

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

### EXTRACTS OF ANNUAL RETURN

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

### INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2015 and August 14, 2015, being the date of this report.

### RELATED PARTY TRANSACTIONS

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

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

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

The provisions of Section 186 of the Act pertaining to investment and lending activities is not applicable to the Company since the Company is an NBFC whose principal business is acquisition of securities.

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

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

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

**EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreements with Stock Exchanges, the Board has carried out an annual performance evaluation of its own performance, the individual director's performance including Chairman and independent directors as well as an evaluation of the working of all Board Committees.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In compliance with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement with the Stock Exchanges, the Independent Directors held a meeting on March 30, 2015, and :

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

Necessary implementations of their suggestions have been initiated.

**HUMAN RESOURCES**

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

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

**VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with clause 49 of the Listing Agreement The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances, actual or suspected fraud or violation of the Codes of Conduct or policy. The said mechanism encompasses the Whistle Blower Policy and provides for adequate safeguards against victimization of persons who use such mechanism. It also provides direct access to the Chairman of the Audit Committee.

The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.avonmorecapital.in](http://www.avonmorecapital.in) under whistle blower Policy link.

**INTERNAL CONTROL SYSTEMS**

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

**NOMINATION AND REMUNERATION POLICY**

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

**ACKNOWLEDGEMENT**

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

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

**Govind Prasad Agrawal**  
Director  
(DIN : 00008429)

**Ashok Kumar Gupta**  
Managing Director  
(DIN : 02590928)

New Delhi  
14th August, 2015



**Form No. MR - 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015  
(Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,

**Avonmore Capital & Management Services Limited,**

**(CIN: L67190DL1991PLC045857)**

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

Phase-II, New Delhi-110 020

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial year ended on **31st March, 2015** ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The Companies Act, 1956 (wherever applicable)/ Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable`:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Other applicable Laws, namely :
  - (a) Reserve Bank of India Act, 1934
  - (b) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 and Scheme thereunder;
  - (c) Service Tax Rules;
  - (d) Income Tax Act, 1961 and Income Tax Rules, 1962;
  - (e) Indian Stamp Act, 1899

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India  
**(Not applicable to the Company during the audit period ending 31st March 2015)**

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

(ii) The Listing Agreement entered into by the Company with Delhi Stock Exchange and Bombay Stock Exchange.

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

### I further report that

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

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

Majority decisions are carried through and there was no dissent raised by any member of the Board.

Based on the compliance mechanism established by the company and on the basis of Statutory Compliance Certificate(s) issued by the officials of the Company and taken on record by the Board of Directors at the meeting(s), we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company :

The Company has obtained approval from Board of Directors under section 186 of the Act by way of unanimous Board resolution to give loan, guarantee, security and make investment in its wholly owned subsidiary.

Place : New Delhi  
Date : 14.08.2015

(Neha Gupta)  
Company Secretary in Practice  
ACS No. : 30152  
CP No.: 11264

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

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## Annexure - A

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

My Report of even date is to be read along with this letter .

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

Place : New Delhi  
Date : 14.08.2015

(Neha Gupta)  
Company Secretary in Practice  
ACS No. : 30152  
CP No.: 11264

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

Sr. No.	Requirement	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	The ratio of the remuneration of each director to the median remuneration of the employees for the financial is 6.54 times
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	During the year under review, there was 21% increase in remuneration of Managing Director
III	The percentage increase in the median remuneration of employees in the financial year	NIL
IV	The number of permanent employees on the rolls of the Company	The Company had 5 employees on the rolls as on March 31, 2015
V	The explanation on the relationship between average increase in remuneration and Company performance	The Company's PAT has grown from Rs. 16.67 Lakhs to Rs. 342.40 Lakhs, against which the average increase in remuneration is 8% and this increase is in line with the policy of Company. The hike was in consonance with the wage hike given by the industry
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2014-15, KMPs were paid approx 5.89% of the standalone profit after tax for the year
VII	Variations in the market capitalization of the Company  Price earnings ratio as at the closing date of the current FY and previous FY  Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalisation as on March 31, 2015 was Rs. 3152.79 Lacs (Rs. 3935.12 Lacs as on March 31, 2014)  Price Earnings ratio of the Company was Rs. 8.90 as at March 31,2015 and was Rs. 154.17 as at March 31, 2014  The Company's stock price as at March 31, 2015 has decreased by approximately 67.52% to 'Rs. 12.99 per share having face value of 'Rs. 10/- each over the last public offering i.e. IPO in May 1996 at the price of 'Rs. 40/- per share with face value of' 10/- each
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in Managerial Remuneration is 9.5% for employees other than Key Managerial Personnel and 7% for Managerial Personnel (KMP and Senior Management)
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Managing Director - 4.76% CS - 0.53% CFO - 0.60%
X	The key parameters for any variable component of remuneration availed by the directors.	The broad factors and guidelines considered for the variable remuneration of directors are :  (a) Annual Performance Review of the Directors; and  (b) Financial outcomes and profitability of the Company and the group
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

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

**I. REGISTRATION & OTHER DETAILS :**

1.	CIN	L67190DL1991PLC045857
2.	Registration Date	30/09/1991
3.	Name of the Company	Avonmore Capital & Management Services Limited
4.	Category / Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110 020 Tel : +91 11 26385056 E-mail : delhi@almondz.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Beetal Financial & Computer Services (P) Limited "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110 062 Tel : +91 11 29961 281-82 Fax : 011-29961280/84 E-mail : <a href="mailto:beetal@rediffmail.com">beetal@rediffmail.com</a> ; <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> Website : <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Shares Trading	66120, 66190	31.20
2	Investment Income	67120, 65999	68.60

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Almondz Infosystem Private Limited	U72200DL2012PTC246813	Subsidiary	100.00	2(87)
2.	Almondz Global Securities Limited	L74899DL1994PLC059839	Associate	49.99	2(6)
3.	Express Infra Financial Consultancy Private Limited	U74140DL2009PTC192940	Subsidiary	100.00	2(87)
4.	Latitude 23 Communications Limited	U72900DL2005PLC141221	Subsidiary	100.00	2(87)
5.	Yug Infrastructures Private Limited	U70102DL2013PTC257417	Associate	50.00	2(6)
6.	Apricot Infosoft Private Limited	U72900DL2014PTC266689	Subsidiary	100.00	2(87)
7.	Avonmore Developers Private Limited	U70200DL2013PTC253548	Subsidiary	100.00	2(87)
8.	Anemone Holdings Private Limited	U67190DL2014PTC268993	Subsidiary	100.00	2(87)
9.	Glow Apparels Private Limited	U18109DL2012PTC230469	Subsidiary	100.00	2(87)
10.	Almondz Insurance Brokers Private Limited	U74999DL2003PTC119593	Subsidiary	51.00	2(87)
11.	Almondz ReInsurance Brokers Private Limited	U66010DL2006PTC157026	Subsidiary (indirect)	51.00	2(87)
12.	Shivsathi Niketan Limited	U74900WB2013PLC191733	Subsidiary	52.00	2(87)

# AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoters									
1. Indian									
a) Individual / HUF	3792549	0	3792549	17.83	0	0	0	0	(-) 17.83
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2796702	2000000	4796702	22.55	8589251	0	8589251	35.39	(+)12.84
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	5000	0	5000	0.02	5000	0	5000	0.02	0
Sub-total (A) (1) :	6594251	2000000	8594251	40.40	8594251	0	8594251	35.41	(-) 4.99
2. Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2) :	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (a) (2)	6594251	2000000	8594251	40.40	8594251	0	8594251	35.41	(-) 4.99
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	2600	2600	0.01	0	2600	2600	0.01	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1) :	0	2600	2600	0.01	0	2600	2600	0.01	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3064756	5752800	8817556	41.45	13214729	6900	13221629	54.48	(+)13.03
ii) Overseas	0	0	0	0	0	0	0	0	0

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	589962	173814	763776	3.59	537492	172516	710008	2.93	(-) 0.66
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2880442	51600	2932042	13.78	1576167	21600	1597767	6.58	(-) 7.2
c) Others (specify)									
Non Resident Indians	21806	17500	39306	0.18	19649	47500	67149	0.28	(+) 0.1
HUF	119319	0	119319	0.56	76528	0	76528	0.32	(-) 0.24
Clearing Members	2050	0	2050	0.01	968	0	968	0	(-) 0.01
Sub-total (B) (2) :	6678335	5995714	12674049	59.58	15425533	248516	15674049	64.58	(+) 5
Total Public Shareholding									
B) = (B) (1) + (B) (2)	6678335	5998314	12676649	59.60	15425533	251116	15676649	64.59	(+) 4.99
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	13272586	7998314	21270900	100	24019784	251116	24270900	1000	0

**B) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered of total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered of total Shares	
1	Innovative Money Matters Private Limited	4796702	22.55	0	8589251	35.39	0	(+) 12.84
2	Gurpreet N.S. Sobti *	5000*	0.02	0	5000*	0.02	0	0
3	Navjeet Singh Sobti	3792549	17.83	0	0	0	0	(-) 17.83

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

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

C) Change in Promoter's Shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04- 2014) end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Innovative Money Matters Private Limited	4796702	19.7632	01-04-2014			4796702	19.7632
				31-12-2014	3792549	Purchase	8589251	35.3891
		8589251	35.3891	31-03-2015			8589251	35.3891
2.	Gurpreet N. S. Sobti	5000	0.0206	01-04-2014	N.A.	N.A.	5000	0.0206
						NIL Movement during the year		
		5000	0.0206	31-03-2015	N.A.	N.A.	5000	0.0206
3.	Navjeet Singh Sobti	3792549	17.83	01-04-2014	N.A.	N.A.	3792549	17.83
		N.A.	N.A.	31-12-2014	(3792549)	Inter se Transfer	0	0
		0	0	31-03-2015	0	0	0	0

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

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04- 2014) end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Veena Gases & Chemicals Private Limited	1524058	6.2794	01-04-2014	N.A.	N.A.	1524058	6.2794
						NIL Movement during the year		
		1524058	6.2794	31-03-2015	N.A.	N.A.	1524058	6.2794
2.	Dinkar Commercials Private Limited	0	0	01-04-2014	N.A.	N.A.	0	0
				05-09-2014	1500000	subscription	1500000	6.1802
		1500000	6.1802	31-03-2015	N.A.	N.A.	1500000	6.1802

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

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

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
3.	Amrendra Financial Private Limited	0	0	01-04-2014	N.A.	N.A.	0	0
				05-09-2014	1500000	Subscription	1500000	6.1802
		1500000	6.1802	31-03-2015	N.A.	N.A.	1500000	6.1802
4.	Nishant Inbuild Limited	1000000	4.1202	01-04-2014	N.A.	N.A.	1000000	4.1202
		N.A.	N.A.	30-09-2014	164004	Purchase	1164004	4.7959
		1164004	N.A.	31-03-2015	N.A.	N.A.	1164004	4.7959
5.	Ramble Markets Private Limited	1010400	4.163	01-04-2014	N.A.	N.A.	1010400	4.163
						NIL Movement during the year		
		1010400	4.163	31-03-2015	N.A.	N.A.	1010400	4.163
6.	KKM Enterprises Private Limited	978244	4.0305	01-04-2014	N.A.	N.A.	978244	4.0305
				16-05-2014	3201	Acquisition	981445	4.0437
				23-05-2014	5650	Acquisition	987095	4.067
				06-06-2014	800	Acquisition	987895	4.0703
				30-06-2014	651	Acquisition	988546	4.073
				01-08-2014	845	Acquisition	989391	4.0764
				08-08-2014	1025	Acquisition	990416	4.0807
				15-08-2014	4010	Acquisition	994426	4.0972
				12-09-2014	500	Transfer	993926	4.0951
				19-09-2014	3939	Acquisition	997865	4.1114
				30-09-2014	5000	Acquisition	1002865	4.132
				31-10-2014	3000	Acquisition	1005865	4.1443
				19-12-2014	10	Transfer	1005855	4.1443
				20-03-2015	60	Acquisition	1005915	4.1445
		31-03-2015	280	Acquisition	1006195	4.1457		
		31-03-2015	N.A.	N.A.	1006195	4.1457		
7.	Desire Retails Private Limited	1000000	4.1202	01-04-2014	N.A.	N.A.	1000000	4.1202
						NIL Movement during the year		
		1000000	4.1202	31-03-2015	N.A.	N.A.	1000000	4.1202



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

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04- 2014) end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
8.	Priti Mercantile Company Limited	1000000	4.1202	01-04-2014	N.A.	N.A.	1000000	4.1202
						NIL Movement during the year		
		1000000	4.1202	31-03-2015	N.A.	N.A.	1000000	4.1202
9.	Swift buildwell Private Limited	941434	3.8789	01-04-2014	N.A.	N.A.	941434	3.8789
				02-05-2014	3959	Acquisition	945393	3.8952
				09-05-2014	500	Acquisition	945893	3.8972
				16-05-2014	992	Acquisition	946885	3.9013
				30-05-2014	100	Acquisition	946985	3.9017
				06-06-2014	1000	Acquisition	947985	3.9059
				30-06-2014	600	Acquisition	948585	3.9083
				04-07-2014	5000	Acquisition	953585	3.9289
				25-07-2014	498	Acquisition	954083	3.931
				12-09-2014	510	Acquisition	954593	3.9331
		954593	3.9331	31-03-2015	N.A.	N.A.	954593	3.9331
10.	Dilip Kumar Lakhi	536263	2.2095	01-04-2014	N.A.	N.A.	536263	2.2095
						NIL Movement during the year		
		536263	2.2095	31-03-2015	N.A.	N.A.	536263	2.2095

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**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

## E) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04- 2014) end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Ashok Kumar Gupta	0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0
2.	Ajay Kumar	0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0
3.	Govind Prasad Agrawal	50000	0.235	01-04-2014	N.A.	N.A.	50000	0.235
						NIL Movement during the year		
		50000	0.206	31-03-2015	N.A.	N.A.	50000	0.206
4.	Shyam Sunder Lal Gupta	0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0
5.	Chand Krishan Tikku	0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0
6.	Ashu Gupta	0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0
7.	Kunal Madaan	0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0
8.	Shruti Aggarwal	0	0	31-03-2015	N.A.	N.A.	0	0
		0	0	01-04-2014	N.A.	N.A.	0	0
						NIL Movement during the year		
		0	0	31-03-2015	N.A.	N.A.	0	0

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### V) INDEBTEDNESS

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

(Amount in Indian Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
* Addition	0	8,55,88,767	0	8,55,88,767
* Reduction	0	8,65,68,459	0	8,65,68,459
Net Change	0	(-) 9,79,692	0	(-) 9,79,692
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	9,79,692	0	9,79,692
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	9,79,692	0	9,79,692

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Indian Rupees)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Ashok Kumar Gupta	
1	Gross Salary	16,30,200/-	16,30,200/-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please specify	0	0
	Total (A)	16,30,200/-	16,30,200/-
	Ceiling as per the Act	*30 lacs P.A	

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### B. Remuneration to other Directors

(Amount in Indian Rupees)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shyam Sunder Lal Gupta	Chand Krishan Tikku	Ajay Kumar	Sanjay Grover *	G. P. Agrawal	Ashu Gupta **	
1	Independent Directors							
	Fee for attending board/ committee meetings	1,04,000	98,000	90,000	0	0	0	2,92,000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	1,04,000	98,000	90,000	0	0	0	2,92,000
2	Other Non-Executive Directors							
	Fee for attending board/ committee meetings	0	0	0	0	97,000	0	97,000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	97,000	0	97,000
	Total (B) = (1+2)	1,04,000	98,000	90,000	0	97,000	0	3,89,000
Total Managerial Remuneration								19,72,600
		Total remuneration to Managing Director and other Directors (being the total of A and B)						
Overall Ceiling as per the Act		Upto Rs. One Lac per Director for each meeting of Board/Committee						

\* Mr. Sanjay Grover ceased to be Director w.e.f. 26.05.2014.

\*\* Ms. Ashu Gupta appointed as Director w.e.f. 20.03.2015.

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Reema Sachdeva* (CS)	Kunal Madaan (CS) **	Shruti Aggarwal (CFO)	
1	Gross salary	90,600	90,968	2,04,566	3,86,134
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	— as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	90,600	90,968	2,04,566	3,86,134

\* Ms. Reema Sachdeva ceased to be Company Secretary of the Company w.e.f. 30.09.2014.

\*\* Mr. Kunal Madaan appointed as Company Secretary of the Company w.e.f. 05.12.2014.

### VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

During the year 2014-15, there were no penalties/punishment/compounding of offences under Companies Act, 2013.

**FORM NO. AOC - 2**

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

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

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

(in. Rs.)

S. No.	Name of the Related Party	Nature of Relationship	Nature of Contracts / arrangements / transactions	Amount	Duration of the Contracts / arrangements / transactions	Salient terms of the Amount contracts / arrangements / Transactions including the value, if any, if any	paid as advances
1	Almondz Insurance Brokers Private Limited	Subsidiary	Dividend Income	27081000	NA	Dividend for FY 2014-15	—
2	Express Infra Financial Consultancy Private Limited	Subsidiary	Investment in Equity Shares made during the year	7000000	Long Term Investment	Total 700000 shares of Rs. 10/- each	—
			Investment in Preference shares made during the year	10000000	Long Term Investment	Total 1000000 shares of Rs. 100/- each	—
3	Glow Apparels Private Limited	Subsidiary	Loans and advances given during the year	16500000	Ongoing, subject to repayment	Loan given @ 9% P.M	—
			Investment in equity shares made during the year	20000000	Long Term Investment	Total 2000000 shares of Rs. 10/- each	—
			Reimbursement of expenses received / paid during the year	202000	NA	NA	—
			Interest income	79644	For FY 2014-15	Interest income on Loan Given	—
4	Avonmore Developers Private Limited	Subsidiary	Loans and advances given during the year	500000	Ongoing, subject to repayment	Loan given @ 10% P.M	—
			Investment in equity shares made during the year	15000000	Long Term Investment	Total 1500000 shares of Rs. 10/- each	—
			Interest income	23736	For FY 2014-15	Interest income on Loan Given	—
5	Yug Infrastructures Private Limited	Associate	Advances given during the year	4600000	Ongoing, subject to repayment	NA	—
			Repayment of Unsecured Loan	7250000	NA	NA	—
			Sale of Investment during the year	15000000	NA	Total 1500000 shares of Rs. 10/- each sold at Rs 10/- each	—

Note : Appropriate Approvals have been taken for related party transactions

For and on behalf of the Board of Directors

New Delhi  
14th August, 2015

**Ashok Kumar Gupta**  
Managing Director  
(DIN : 02590928)

**Govind Prasad Agrawal**  
Director  
(DIN : 00008429)

## 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. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Company in the financial services space in India. The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy, the Company has moved ahead in its pursuit of excellence in corporate governance.

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

### 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 6 Directors, including 1 Executive Director and 5 Non Executive Directors, of which 3 are Independent Directors and 1 is Women (Non Independent) Director. 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, 2015 have been made by the Directors to the Company.

#### Meetings and Attendance

During the year 2014-2015 the Board of Directors met Six (6) times on the following dates:-

28th May 2014, 14th August 2014, 14th November 2014, 13th February 2015, 20th February 2015 and 30th March 2015.

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 2015 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	6	6	—	—	2	Yes
Mr. Chand Krishna Tikku	Independent Director	6	6	—	—	3	—
Mr. Govind Prasad Agrawal	Non-Independent Director	6	6	6	1	5	Yes
Mr. Shyam Sunder Lal Gupta	Independent Director	6	6	2	1	6	—
Mr. Ajay Kumar	Independent Director	6	6	2	1	—	Yes
Mr. Sanjay Grover *	Independent Director	—	—	—	2	6	—
Ms. Ashu Gupta **	Non-Independent Director	1	—	—	—	—	—

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

\*\* Ms. Ashu Gupta is appointed as an Additional Director of the Company w.e.f. 20.03.2015

### Brief Profile of Board

#### Ashok Kumar Gupta

Mr. Ashok Kumar Gupta (FCS) born on 25 June, 1965 is a commerce graduate and is also a member of The Institute of

Company Secretaries of India. Mr. Ashok Kumar Gupta is having vast experience in the field of finance, accounts and secretarial matters of the Companies.

**Shyam Sunder Lal Gupta**

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

**Chand Krishna Tikku**

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

**Ajay Kumar**

Mr. Ajay Kumar born on 30th January, 1951 is 1976 batch, Retired Indian Administrative Services (IAS). Officer, he has vast and varied experience in Administration, Urban Development, Real Estate Development, Housing, Poverty, Public Health, Comparative Politics, 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, Government 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 Private Limited; Managing Director to kgd-Architecture an infrastructure & Design Services Company; Advisor, infrastructure and Logistic Federation of India.

**Mr. Govind Prasad Agrawal**

Mr. Govind Prasad Agrawal, is a Law graduate and Fellow member of 'The Institute of Company Secretaries of India'. He has got rich experience of over 31 years in the field of Finance, Law and Administration.

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

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

**Ms Ashu Gupta**

Ms. Ashu Gupta is a commerce graduate from Delhi University, Bachelor of Law (L.L.B.) from Delhi University and became Company Secretary from the Institute of Company Secretaries of India (ICSI) in 1995. She has immense knowledge and experience of over 18 years in almost every facet of corporate secretarial, Legal Advisory and consulting profession. She is well exposed in handling corporate legal matters and dealing with various regulatory authorities like Registrar of Companies (ROC), Regional Director (RD), Company Law Board (CLB), Ministry of Corporate Affairs, Securities & Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI) etc.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS :**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company. Quarterly updates on relevant statutory changes are discussed in the Board meetings. The details of such familiarisation programme of the Company may be accessed on the Company's website at [www.avonmorecapital.in](http://www.avonmorecapital.in)

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS :**

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreements with the Stock Exchanges, a separate meeting of Independent Directors of the Company was held on March 30, 2015, inter alia, to discuss the following :

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

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

**Board Level Performance Evaluation :**

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

The criteria for performance evaluation are as under :

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc. Similarly,

for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. Board members had submitted their response on a scale of 5 (excellent) to 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

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

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

### 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](http://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 2015 is attached to this Corporate Governance Report.

### COMMITTEES OF THE BOARD

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

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Committee for Further Issue of Shares
- Management Committee
- Risk Management Committee

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

### AUDIT COMMITTEE

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

The terms of reference of the Audit Committee of the Company are wide enough to cover the matters as specified for Audit Committee under 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 clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report
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 2014, 14th August 2014, 14th Nov 2014, and 13th February 2015. For the finalization of the Audited Annual Accounts of the Company, the meeting of the Audit Committee was held on 29th May 2015. The attendance of the individual Directors in the aforesaid meetings were 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 :

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

**COMPOSITION**

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

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

During the year under review 4 (four) meetings of Nomination and Remuneration Committee were held, i.e., on 28.05.2014, 14.08.2014, 13.02.2015 and 19.03.2015. 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, 2015 are as follows :

**(a) Executive Director :**

Name	Category	Salary & Perquisites (Rs.)
Mr. Ashok Kumar Gupta	Managing Director	16,,30,200/-

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

Name	Category	Sitting Fees (Rs.) As on 31.03.2015
Mr. Govind Prasad Agrawal	Director	97,000/-
Mr. Sanjay Grover *	Director	—
Mr. Chand Krishna Tikku	Director	98,000/-
Mr. Shyam Sunder Lal Gupta	Director	1,04,00/-
Mr. Ajay Kumar	Director	90,000/-

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

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

**TERMS OF REFERENCE**

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

**COMPOSITION**

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

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

During the year under review, 2 (Two) Stakeholders Relationship Committee (Formerly Share Transfers & Shareholders Grievance Committee) meetings were held on 28th April 2014 and 28th July 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.

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

- (a) Share Transfer :
  - I. Approve and effect Transfer and Transmission of Shares
  - II. Issue of new Share Certificates in lieu of the lost/ mutilated Share Certificates
  - III. Consolidation of Folios / Transposition of Names
- (b) Shareholders'/Investors' Complaints :
  - I. Non-receipt of Shares after Transfer / Transmission
  - II. Non-receipt of Annual Report
  - III. Other matters including change of address, etc.

The Secretarial Department of the Company and the Registrar and Share Transfer Agents Beetal Financial & Computers Services Pvt. Ltd. attend to all the grievances of the shareholders' and investors' received. The minutes of this Committee are being placed in the subsequent Board Meeting held after the Committee meeting. Continuous efforts are made to insure that grievances are more expeditiously redressed to the complete satisfaction of the shareholders. The Company Secretary is the Compliance Officer of the Company.

**COMMITTEE FOR FURTHER ISSUE OF SHARES**

The Board of Directors of the Company has constituted a Committee for Further Issue of Shares. At present the Further Issue of Shares committee comprises of Mr. Shyam Sunder Lal Gupta, Mr. Chand Krishna Tikku, Mr. Govind Prasad Agrawal and Mr. Ashok Kumar Gupta. During the year under review, 2 (two) meetings were held on 8th August 2014 and 5th September 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, 4 (Four) meetings of the management Committee of the Company was held, i.e., on 14.05.2014, 17.09.2014, 05.01.2015 and 25.03.2015.

**RISK MANAGEMENT COMMITTEE**

In compliance with the revised Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has constituted a Risk Management Committee on March 30, 2014 to oversee risk management function performed by the management, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks.

The Risk Management Committee consists of Mr. Ashok Kumar Gupta (Managing Director), Mr. Govind Prasad Agrawal (Non-Executive Director), and Ms. Shruti Aggarwal (Chief Financial Officer).

The broad terms of reference of committee are as under :

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

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- ii. To oversee risk management process, systems and measures implemented to mitigate the same; and
- iii. Any other matter as may be mandated/referred by the Authority / Board.

### SUBSIDIARY COMPANIES

During the Financial Year ended March 31, 2015, the Company had Ten subsidiaries namely Almondz Infosystem Private Limited, Almondz Insurance Brokers Private Limited, Almondz Reinsurance Brokers Private Limited (Step-down Subsidiary), Express Infra Financial Consultancy Private Limited, Apricot Infosoft Private Limited, Avonmore Developers Private Limited, Anemone Holdings Private Limited, Glow Apparels Private Limited, Shivsathi Niketan Limited and Latitude 23 Communications Limited. These subsidiary companies are non-material unlisted subsidiaries of the Company.

### GENERAL BODY MEETINGS

#### Details of the last three Annual General Meetings :

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

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

### POSTAL BALLOT

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

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

- 1) Approval for disinvestment in Express Infra Financial Consultancy Private Limited (referred to as "Resolution No. 1 in the following table);

Out of the aforesaid, North Square Projects Private Limited 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 Private Limited.

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

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

- 2) Approval for borrowing in excess of paid up capital and its free reserves (referred to as "Resolution No. 2 in the following table);
- 3) Approval for creation of charge on the movable and immovable properties of the Company (referred to as "Resolution No. 3 in the following table);
- 4) Approval for giving Loans/guarantee or providing securities and/or making investments exceeding the limits (referred to as "Resolution No. 4 in the following table);
- 5) Approval for entering into various related party transactions by the Company (referred to as "Resolution No. 5 in the following table);

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Sl No.	Particulars		Resolution No. 1 Special Resolution		Resolution No. 2 Special Resolution		Resolution No. 3 Special Resolution		Resolution No. 4 Special Resolution		Resolution No. 5 Special Resolution	
			No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares	No. of Postal Ballots	No. of Shares
A	Postal Ballot Forms received	E-voting	17	20027531	17	2,00,27,531	17	20027531	17	20027531	14	11333280
		Physical	07	356182	07	3,56,182	07	356182	07	356182	05	293127
B	Less : Invalid Postal Ballot Forms		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C	Net Valid Postal Ballot Forms of which :		24	20383713	24	20383713	24	20383713	24	20383713	19	11626407
(i)	Total No. of shares with <b>Assent</b> for the resolution		24	20383713	24	20383713	24	20383713	24	20383713	19	1162640
(ii)	Total No. of shares with <b>Dissent</b> for the resolution		0	0(0%)	0	0(0%)	0	0(0%)	0	0(0%)	0	0(0%)

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

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

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

### 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 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 Financial Officer of the Company.

### DISCLOSURE

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

All material transactions entered into with related parties as defined under the Act and Clause 49 of the Listing Agreement during the financial year were at arms length and have been approved by the audit committee. The Company has obtained the shareholders approval along with annual limits for the related Party Transactions. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link [www.avonmorecapital.in](http://www.avonmorecapital.in)

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

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

#### Disclosure of Accounting Treatment

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

#### 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

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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.

### 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](http://www.avonmorecapital.in)

### COMPLIANCE

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

### 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 Mr. Kunal Madaan, Company Secretary as the Compliance Officer

Address :

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

e-mail : [complianceacms@almondz.com](mailto:complianceacms@almondz.com)

Phone : 011-26385056

Fax : 011- 43500787

### GENERAL SHAREHOLDERS' INFORMATION

#### Annual General Meeting

**Date** : 29th September, 2015

**Time** : 2.30 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 2014 to 31st March 2015

**Financial Calendar 2015 - 2016** (Tentative)

First quarter results : July / August 2015

Second quarter results : October / November 2015

Third quarter results : January / February 2016

Fourth quarter results : April / May 2016 if unaudited quarterly results or alternatively last week of June, 2016 in case of audited results for the year.

Annual General Meeting : August / September 2016

### Book Closure Dates :

23rd September, 2015 to 29th September, 2015 (both Days inclusive)

### Listing on Stock Exchanges :

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

- The National Securities Depository Ltd.  
4th Floor, Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
- Central Depository Services (India) Ltd.  
Phiroze Jeejeebhoy Towers 28th Floor, Dalal Street,  
Mumbai - 400 023

### Stock Market Data :

Bombay Stock Exchange Ltd. (BSE)			
Month	Month's High	Month's Low	Volume (Nos.)
April' 14	17.60	15.35	8969
May' 14	20.00	16.20	153859
June' 14	24.50	17.95	579516
July' 14	24.45	19.60	720644
August' 14	24.00	18.85	83340
September' 14	22.00	15.45	15636
October' 14	18.75	16.20	3693
November' 14	17.45	14.45	8748
December' 14	17.60	15.20	16617
January' 15	16.65	13.30	37769
February' 15	16.08	10.97	125845
March' 15	15.25	9.00	60725

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### 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
05.09.2014	3000000	Allotment of shares pursuant to Conversion of Warrants issued on Preferential Basis	25650280	24270900

#### Notes :

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

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

### Distribution of Shareholding as on 31st March, 2015 :

No. of Equity Shareholders	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up To 5000	2543	87.36	268438	1.1060
5001 To 10000	144	4.95	120613	0.4969
10001 To 20000	74	2.54	113341	0.4670
20001 To 30000	31	1.06	79476	0.3275
30001 To 40000	13	0.45	46786	0.1928
40001 To 50000	16	0.55	75680	0.3118
50001 To 100000	19	0.65	142081	0.5854
100001 AND ABOVE	71	2.44	23424485	96.5126
TOTAL	2911	100.00	24270900	100.0000



**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 M/s Avonmore Capital & Management Services Ltd. for the year ended 31st March, 2015, 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, 2015, 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

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

New Delhi  
29th May, 2015



**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  
29th May, 2015

**SHRUTI AGGARWAL**  
Chief Finance Officer

**ASHOK KUMAR GUPTA**  
Managing Director  
(DIN : 02590928)

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**Declaration on Compliance with the Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its Board members and the Senior Management and the same is available on the Company's Website. I confirm that the Company has in respect of financial year ended March 31, 2015, received from the senior management team of the Company and the members of the Board, declaration of compliance with the Code of Conduct as applicable to them.

For **Avonmore Capital & Management Services Limited**

New Delhi  
14 August 2015

**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).

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

The year 2014-15 began with several challenges on the macroeconomic front, including rising inflation, dwindling industrial output and a falling rupee. The Reserve Bank of India (RBI) intervened in July and August to stem the rupee's slide by increasing the marginal standing facility rate and the bank rate by 200 bps each to 10.25%. The result was that frequent issuers such as Non Banking Financial Companies (NBFCs) pulled back from the bond market. In first quarter of 2015, the RBI has cut the repo rate by 50 bps to 7.50% in two tranches as there are signs that inflation is moderating.

Despite these positive developments, FY2015 was difficult for the banking and financial services sector. At 9.5%, credit growth was at its lowest in the last 18 years. Low credit growth plus high non-performing assets (NPAs) have resulted in banks being reluctant to pass on the benefits of the eased liquidity and rate cuts. Besides, unseasonal heavy rains in February and March 2015 badly affected the winter (rabi) crop; and a prediction of a poor monsoon could dampen some of the latent economic optimism.

The vision of the new government is pragmatic and of inclusive growth which is apparent from more devolution of tax collections to the states, postponing the achievement of 3% fiscal target to FY 2018 thereby making more space for public investment in the country. Thrust to infrastructure, measures to revive the investment cycle, boost to savings, 'Make in India' initiative, ease of doing business and boosting entrepreneurship are major focus areas of the government.

The NBFCs saw moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of well run NBFCs inspite of the impact on profitability.

### **BUSINESS OPERATIONS**

During the year under review, the Company has generated its income of Rs. 460.10 Lacs from dividend on Investment & Trading of Securities as compared to Rs. 61.92 Lacs in the previous years.

### **OPPORTUNITIES AND THREATS**

The Monetary Policy Framework Agreement between the Government of India and Reserve Bank of India is a vital step

to keep inflation below 6%. This is also supported by the steep decline in the international crude oil prices, which controlled food inflation and increased consumption of the basic commodities in rural areas. Government has announced a number of policy measures to achieve the projected GDP growth in 2015-16 like approval of large infrastructure projects, addressing challenges of mining and power sectors, increasing foreign investment limits in Insurance, Railways, Defence manufacturing and Aerospace. Growth in agricultural sector output will drive demand from rural areas.

The Reserve Bank of India's enhancement of the credit limits through securitisation transactions for both banks and NBFCs, shall provide better opportunities to NBFC's to meet their ongoing capital/funding requirements.

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

### **OUTLOOK, RISK AND CONCERNS**

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

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

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

At ACMS, risk management is integrated seamlessly into business strategy. The objective of ACMS's risk management process is to insulate the Company from risks associated with the business, while simultaneously creating an environment conducive for its

## **AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

growth. The process entails a comprehensive estimation, control and review of risks to protect organizational value. Further, a separate board level risk management committee is in place at your company which regularly reviews the functioning of the risk management systems and processes.

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUENCY**

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

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

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of operations. The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically.

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

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

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

### **HUMAN RESOURCE**

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

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

### **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  
M/s. 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 ("the company"), which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year then ended, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibilities also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

### Report on other Legal and Regulatory Matters

1. As required by the Companies (Auditors' Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, We report that :
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (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 the Statement of Profit and Loss and the Cash Flows Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us :
    - (i) There are no pending litigation affecting financial position hence no disclosure is required to be made.
    - (ii) There are no long term contracts including derivatives contracts hence no provision is required to be made.
    - (iii) The clause is not applicable as there is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

**H. K. CHHABRA**  
Proprietor

Place : New Delhi

Date : 29th May, 2015

(FCA – Membership No. 089616)

**ANNEXURE REFERRED TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section 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.
- ii) (a) The Company has conducted verification of stock-in-trade comprising shares, bonds and other securities at reasonable intervals. As informed to us management no material discrepancies were noted on such verification.
- (b) The procedures for verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of stock-in-trade.
- iii) The Company has granted loans amounting to Rs. 1,70,00,000/- to two number of parties which are covered in the registered maintained under section 189 of the Companies Act, 2013. Balance outstanding as on 31st March, 2015 is amounting to Rs. 5,93,044/- and the maximum outstanding during the year is amounting to Rs. 35,21,365/-.
- (a) According to the information and explanation given to us, parties to whom loans have been granted have repaid the principal amount as per stipulation, wherever applicable.
- (b) According to the information and explanation given to us and on the basis of examination of records of the company, company has taken reasonable steps for recovery of principal and interest where overdue amount is more than rupees one lakh.
- (iv) 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 fixed assets and for rendering of services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) According to the information given to us, the Company has not accepted any deposits from the public.
- (vi) The provisions of Section 148(1) of the Companies Act, 2013 regarding maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the extent applicable, have generally been regularly deposited.
- (b) According to the information and explanations given to us, the Company does not have any Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited with the appropriate authority on account of any dispute.
- (c) According to the information and explanation given to us and based on our examination of records of the company, there is no amount which required to be transferred to Investor Education and Protection Fund.
- (viii) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the current financial year and in the immediate preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to bank and financial institutions.
- (x) The Company has given guarantee for loans taken by others from banks. According to the information and explanation given to us, we are of the opinion that the terms and conditions are not *prima facie* prejudicial to the interest of the company.
- (xi) The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us and based on the audit procedures performed, 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**  
Proprietor

Place : New Delhi  
Date : 29th May, 2015 (FCA – Membership No. 089616)

Balance Sheet as at 31 March, 2015

(Amounts in Indian Rupees)

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
<b>Equity &amp; Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	24,92,17,131	21,92,17,131
Reserves and surplus	2.2	44,53,81,569	36,61,48,431
		69,45,98,700	58,53,65,562
<b>Non-current liabilities</b>			
Long-term provisions	2.3	2,11,740	92,317
		2,11,740	92,317
<b>Current liabilities</b>			
Short-term borrowings	2.4	9,79,692	1,64,60,947
Trade Payable	2.5	8,88,633	71,182
Other current liabilities	2.6	6,79,471	5,54,273
Short-term Provisions	2.7	6,69,329	4,13,582
		32,17,125	1,74,99,984
<b>TOTAL</b>		69,80,27,565	60,29,57,863
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.8 (a)	28,223	27,079
Intangible assets	2.8 (b)	—	—
		28,223	27,079
Non current investments	2.9	65,88,58,540	53,01,42,131
		65,88,58,540	53,01,42,131
<b>Current assets</b>			
Inventories	2.10	36,58,062	66,16,801
Trade receivables	2.11	32,780	—
Cash and cash equivalents	2.12	3,38,872	16,03,194
Short-term loans and advances	2.13	1,96,09,467	1,35,90,393
Other current assets	2.14	1,55,01,621	5,09,78,265
		3,91,40,802	7,27,88,653
<b>TOTAL</b>		69,80,27,565	60,29,57,863

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  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

Kunal Madaan  
Company Secretary  
(ACS : A32429)

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, 2015

(Amounts in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2015	Year ended 31 March 2014
<b>Income</b>			
Operating Income	2.15	1,77,54,240	61,70,235
Other Operating Income	2.16	2,82,55,711	21,778
Other income	2.17	90,974	2,40,603
<b>Total revenue</b>		<b>4,61,00,925</b>	<b>64,32,616</b>
<b>Expenses</b>			
Employee benefits expenses	2.18	24,55,210	19,01,968
Finance cost	2.19	28,45,801	—
Depreciation and Amortisation expenses	2.20	9,194	1,935
Other expenses	2.21	48,53,630	31,85,726
<b>Total expenses</b>		<b>1,01,63,835</b>	<b>50,89,629</b>
<b>Profit before extraordinary, prior period items and taxes</b>		<b>3,59,37,090</b>	<b>13,42,987</b>
Prior Period (Income) / Expense		4,138	23,097
<b>Profit / (Loss) before tax</b>		<b>3,59,32,952</b>	<b>13,19,890</b>
<b>Tax expense</b>			
Current income tax		16,88,883	—
Income Tax for Earlier Year		3,779	(3,47,835)
<b>Profit for the Year</b>		<b>3,42,40,290</b>	<b>16,67,725</b>
<b>Earnings Per Equity Share</b>			
— Basic	2.24	1.46	0.12
— Diluted	2.24	1.46	0.12

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  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

Kunal Madaan  
Company Secretary  
(ACS : A32429)

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, 2015**

(Amounts in Indian Rupees)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before tax &amp; extra-ordinary items adjusted for:</b>	<b>3,59,37,090</b>	<b>13,42,987</b>
Depreciation	9,194	1,935
Provision for retirement benefit	1,59,366	(319)
Bad Debts written off	61,800	—
Loss/(Profit) on sale of Investment	(10,75,869)	—
Interest received	(33,68,220)	(34,86,808)
Interest expense	28,45,801	—
Dividend income	(2,71,79,842)	(21,778)
Provision for bad Debts written back	(61,800)	—
Provision for standard assets	12,572	(1,30,173)
<b>Operating Profit before working capital changes adjusted for:</b>	<b>73,40,092</b>	<b>(22,94,156)</b>
(Increase)/Decrease in Stock in trade	29,58,739	59,46,211
(Increase)/Decrease in Trade receivables	(32,780)	—
(Increase)/Decrease in Other receivables	2,94,44,998	39,20,187
Increase/(Decrease) in current liabilities and provisions	11,58,453	2,23,403
<b>Cash used in operations</b>	<b>4,08,69,502</b>	<b>77,95,645</b>
Extra Ordinary and Prior Period Items	(4,138)	(23,097)
Taxes Paid	(16,92,662)	3,47,834
<b>Net cash generated from Operating Activities (A)</b>	<b>3,91,72,702</b>	<b>81,20,383</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(17,490)	—
Purchase of investments	(17,37,16,409)	(17,77,14,400)
Dividend received	2,71,79,842	21,778
Interest received	33,68,220	34,86,808
Sale of investments	4,60,75,869	—
<b>Net cash used in Investing Activities (B)</b>	<b>(9,71,09,967)</b>	<b>(17,42,05,814)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of capital (including premium)	7,50,00,000	15,00,00,000
Proceeds from unsecured short term borrowings (net)	(1,54,81,255)	1,64,60,947
Interest Paid	(2,845,801)	—
<b>Net cash generated from Financing Activities (C)</b>	<b>5,66,72,944</b>	<b>16,64,60,947</b>
Cash and cash equivalents (Opening Balance)	16,03,194	12,27,678
Net cash inflows for the year (A+B+C)	(12,64,322)	3,75,516
<b>Cash and cash equivalents (Closing Balance)</b>	<b>3,38,872</b>	<b>16,03,194</b>
<b>Notes</b>		
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. <b>Cash and Cash equivalents include:</b>		
Cash in hand	1,58,442	3,34,706
Balances with scheduled banks:		
— on current account	1,80,430	12,68,488
— on deposit account	—	—
<b>Cash and cash equivalents (closing balance)</b>	<b>3,38,872</b>	<b>16,03,194</b>
<b>Cash and bank balances at the end of the year</b>	<b>3,38,872</b>	<b>16,03,194</b>

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

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

**H. K. CHHABRA**  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

**Kunal Madaan**  
Company Secretary  
(ACS : A32429)

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

**1.3 Use of estimates**

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

**1.4 Current/Non-current classification**

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

**i) Assets**

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

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

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

**ii) Liabilities**

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

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

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

**1.5 Revenue Recognition**

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

**1.6 Revenue from services**

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

**1.7 Dividends**

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

**1.8 Interest**

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

**1.9 Expenditure**

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

**1.10 Retirement and other Employees Benefits**

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

projected unit credit method made at the end of the financial year.

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

#### **1.11 Fixed Assets**

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

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

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

#### **1.12 Impairment**

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

#### **1.13 Investments**

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

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

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

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

#### **1.14 Foreign currency transactions**

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

#### **1.15 Taxation**

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

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

**1.16 Provisions and Contingent Liability**

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

**1.17 Earnings per share**

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

**1.18 Operating leases taken**

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

**1.19 Segmental reporting**

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

**1.20 Cash and Cash Equivalents**

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

**INTENTIONALLY LEFT BLANK**

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.1 Share capital**

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised</b> Equity shares of Rs. 10/- each	<b>3,00,00,000</b>	<b>30,00,00,000</b>	2,50,00,000	25,00,00,000
	<b>3,00,00,000</b>	<b>30,00,00,000</b>	2,50,00,000	25,00,00,000
<b>Issued and subscribed</b> Equity shares of Rs. 10/- each (including 13,79,380 shares forfeited)	<b>2,56,50,280</b>	<b>25,65,02,800</b>	2,26,50,280	22,65,02,800
	<b>2,56,50,280</b>	<b>25,65,02,800</b>	2,26,50,280	22,65,02,800
<b>Paid Up Capital</b> Equity shares of Rs. 10/- each, fully paid up Add : 13,79,380 shares forfeited	<b>2,42,70,900</b> <b>13,79,380</b>	<b>24,27,09,000</b> <b>65,08,131</b>	2,12,70,900 13,79,380	21,27,09,000 65,08,131
	<b>2,56,50,280</b>	<b>24,92,17,131</b>	2,26,50,280	21,92,17,131

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

Name of the Shareholders	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Navjeet Singh Sobti	—	—	37,92,549	17.83
Innovative Money Matters Private Limited	<b>85,89,251</b>	<b>35.39</b>	47,96,702	22.55
Veena Gases & Chemicals Private Limited	<b>15,24,058</b>	<b>6.28</b>	15,24,058	7.16
Dinkar Commercials Private Limited	<b>15,00,000</b>	<b>6.18</b>	—	—
Amarendra Financial Private Limited	<b>15,00,000</b>	<b>6.18</b>	—	—
	<b>1,31,13,309</b>	<b>54.03</b>	1,01,13,309	47.54

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2015 and March 31, 2014 is set out below :

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	<b>2,12,70,900</b>	<b>21,27,09,000</b>	1,37,70,900	13,77,09,000
Add : Shares Forfeited	<b>13,79,380</b>	<b>65,08,131</b>	13,79,380	65,08,131
Add : Issued during the year	<b>30,00,000</b>	<b>3,00,00,000</b>	75,00,000	7,50,00,000
At the end of the year	<b>2,56,50,280</b>	<b>24,92,17,131</b>	2,26,50,280	21,92,17,131

# AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

## 2.2 Reserves and surplus

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Share Premium</b>		
At the beginning of the year	21,14,17,900	13,64,17,900
Add: addition during the year	4,50,00,000	7,50,00,000
At the end of the year	25,64,17,900	21,14,17,900
<b>Capital Reserve</b>	7,44,48,968	7,44,48,968
<b>Special reserve</b>		
At the beginning of the year	98,11,103	94,77,558
Add: addition during the year/period	68,48,058	3,33,545
At the end of the year	1,66,59,161	98,11,103
<b>(Deficit)/surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	7,04,70,460	6,91,36,280
Less: Depreciation related to previous year	7,152	—
Add / (less) : Profit / (loss) for the year	3,42,40,290	16,67,725
Less: Appropriations		
Special Reserve (U/s 45-IC, RBI Act, 1934)	68,48,058	3,33,545
Surplus carried from statement of profit and loss	9,78,55,540	7,04,70,460
	<b>44,53,81,569</b>	<b>36,61,48,431</b>

## 2.3 Long-term provisions

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Provision for employee benefits</b>		
— Gratuity	34,784	—
— Compensated absences	1,30,420	58,353
Contingent provision on standard Assets	46,536	33,964
	<b>2,11,740</b>	<b>92,317</b>

## 2.4 Short-term borrowings

Particulars	As at 31 March 2015	As at 31 March 2014
Loans repayable on demand		
— Unsecured Loans	9,79,692	1,64,60,947
	<b>9,79,692</b>	<b>1,64,60,947</b>

## 2.5 Trade Payable

Particulars	As at 31 March 2015	As at 31 March 2014
Trade Payable	8,88,633	71,182
	<b>8,88,633</b>	<b>71,182</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.6 Other current liabilities**

Particulars	As at 31 March 2015	As at 31 March 2014
Expenses Payable	1,94,546	2,15,167
Payable to employees	2,17,763	1,18,880
Statutory liabilities	2,67,162	24,952
Unpaid Dividend	—	1,95,274
	<b>6,79,471</b>	<b>5,54,273</b>

**2.7 Short-term Provisions**

Particulars	As at 31 March 2015	As at 31 March 2014
Gratuity	56,428	29,392
Compensated absences	35,005	9,526
Provision of Non Performing asset	1,42,603	1,42,603
Net Provision for Taxation (Minimum alternate tax)	4,35,293	2,32,061
	<b>6,69,329</b>	<b>4,13,582</b>

**2.8 (a) Tangible assets**

Cost	As at 1 April 2013	Additions	Deletions / other Adjustment	As at 31 March 2014	Additions	other Adjust- ment	Deletions	As at 31 March 2015
Furniture and fixtures	79,920	—	—	79,920	—	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	—	93,300
Office equipments	36,000	—	—	36,000	17,490	—	—	53,490
<b>Total</b>	<b>2,09,220</b>	<b>—</b>	<b>—</b>	<b>2,09,220</b>	<b>17,490</b>	<b>—</b>	<b>—</b>	<b>2,26,710</b>

Depreciation	As at 1 April 2013	Additions	Deletions / other Adjustment	As at 31 March 2014	Additions	other Adjust- ment	Deletions	As at 31 March 2015
Furniture and fixtures	79,920	—	—	79,920	—	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	—	93,300
Office equipments	6,986	1,935	—	8,921	9,194	7,152	—	25,267
<b>Total</b>	<b>1,80,206</b>	<b>1,935</b>	<b>—</b>	<b>1,82,141</b>	<b>9,194</b>	<b>7,152</b>	<b>—</b>	<b>1,98,487</b>

Carrying amounts				As at 31 March 2014				As at 31 March 2015
Furniture and fixtures				—				—
Computers and peripherals				—				—
Office equipments				27,079				28,223
<b>Total</b>				<b>27,079</b>				<b>28,223</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.8 (b) Intangible assets**

Cost	As at 1 April 2013	Additions	Deletions / other Adjustment	As at 31 March 2014	Additions	other Adjust- ment	Deletions	As at 31 March 2015
Painting and sculpture	13,53,474	—	13,53,474	—	—	—	—	—
<b>Total</b>	13,53,474	—	13,53,474	—	—	—	—	—

Amortisation	As at 1 April 2013	Additions	Deletions / other Adjustment	As at 31 March 2014	Additions	other Adjust- ment	Deletions	As at 31 March 2015
Painting and sculpture	1,70,496	—	1,70,496	—	—	—	—	—
<b>Total</b>	1,70,496	—	1,70,496	—	—	—	—	—

Carrying amounts				As at 31 March 2014				As at 31 March 2015
Painting and sculpture				—				—
<b>Total</b>				—				—

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

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Long-term, other investments</b>		
<b>(a) Unquoted</b>		
<b>Investment in subsidiaries</b>		
Almondz Infosystem Private Limited 50,000 (P.Y. 50,000) equity shares of Rs. 10/- each fully paid up	5,00,000	5,00,000
North Square Projects Private Limited Nil (P.Y. 50,000) equity shares of Rs. 10/- each fully paid up	—	5,00,000
Express Infra Financial Consultancy Private Limited 57,00,000 (P.Y. 50,00,000) equity shares of Rs. 10/- each fully paid up 10,00,000 (P.Y. Nil) preference shares of Rs. 100/- each fully paid up	15,70,00,000	5,00,00,000
Latitude 23 Communications Limited 1,84,900 (P.Y. 1,15,000) equity shares of Rs. 10/- each fully Paid up	9,91,780	8,38,000
Almondz Insurance Brokers Private Limited 9,18,000 (P.Y. 9,18,000) equity shares of Rs. 10/- each fully paid up	11,38,89,400	11,38,89,400
Glow Apparels Private Limited 20,00,000 (P.Y. Nil) equity shares of Rs. 10/- each fully paid up	2,00,00,000	—
Avonmore Developer Private Limited 15,00,000 (P.Y. Nil) equity shares of Rs. 10/- each fully paid up	1,50,00,000	—
Anemone Holdings Private Limited 10,000 (P.Y. Nil) equity shares of Rs. 10/- each fully paid up	1,00,000	—
Apricot Infosoft Private Limited 10,000 (P.Y. Nil) equity shares of Rs. 10/- each fully paid up	1,00,000	—
Shivsathi Nikentan Limited 26,000 (P.Y. Nil) equity shares of Rs. 10/- each fully paid up	2,60,000	—
	<b>30,78,41,180</b>	16,57,27,400
Less: Diminution in the value of investment	<b>(6,00,000)</b>	(6,00,000)
<b>Net Total (a)</b>	<b>30,72,41,180</b>	16,51,27,400

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

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

Particulars	As at 31 March 2015	As at 31 March 2014
<b>(b) Investment in equity shares (Unquoted)</b>		
Globus Industries & Services Limited 10,000 (P.Y. 10,000) equity shares of Rs. 10/- each fully Paid up	1,00,000	1,00,000
Shiivaz Spas & Hospitality Private Limited 20,000 (P.Y. 20,000) equity shares of Rs. 10/- each fully Paid up	2,00,000	2,00,000
Yug Infrastructures Private Limited Nil (P.Y. 15,00,000) equity shares of Rs. 10/- each fully Paid up	—	1,50,00,000
Almondz Commodities Private Limited 2,50,000 (P.Y. 2,50,000) equity shares of Rs. 10/- each fully Paid up	25,00,000	25,00,000
	<b>28,00,000</b>	1,78,00,000
Less: Diminution in the value of investment	<b>(12,51,700)</b>	(12,51,700)
<b>Net Total (b)</b>	<b>15,48,300</b>	1,65,48,300
<b>(c) Quoted Investment in equity shares</b>		
Almondz Global Securities Limited 1,29,38,814 (P.Y. 1,28,58,814) equity shares of Rs. 6/- each fully paid up	<b>34,88,86,082</b>	34,72,83,453
<b>Net Total (c)</b>	<b>34,88,86,082</b>	34,72,83,453
<b>(d) Government securities</b>		
National Savings Certificate	<b>23,000</b>	23,000
Less: Diminution in the value of investment	<b>(23,000)</b>	(23,000)
<b>Net Total (d)</b>	—	—
<b>(e) Paintings &amp; Sculpture</b>		
Painting & Sculpture	<b>11,82,978</b>	11,82,978
<b>Net Total (e)</b>	<b>11,82,978</b>	11,82,978
<b>Total (a+b+c+d+e)</b>	<b>65,88,58,540</b>	53,01,42,131
Aggregate market value of quoted investment	<b>13,58,57,547</b>	9,38,69,342
Aggregate book value of quoted investment	<b>34,88,86,082</b>	34,72,83,453
Aggregate cost of unquoted investment	<b>30,78,41,180</b>	16,57,27,400

**2.10 Inventories**

Particulars	As at 31 March 2015	As at 31 March 2014
Equity Shares, quoted at Cost or net realisable value, whichever is lower	<b>36,58,062</b>	66,16,801
	<b>36,58,062</b>	66,16,801



## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

### 2.11 Trade receivables

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Considered good</b>		
– outstanding for more than six months	—	—
– other debts	32,780	—
<b>Considered doubtful</b>		
– outstanding for more than six months	—	61,800
– other debts	—	—
	32,780	61,800
<b>Less : Provision for doubtful debts</b>	—	61,800
	32,780	—

### 2.12 Cash and cash equivalents

Particulars	As at 31 March 2015	As at 31 March 2014
Cash in Hand	1,58,442	3,34,706
Balances with scheduled banks :		
– on current accounts	1,80,430	12,68,488
	3,38,872	16,03,194

### 2.13 Short-term loans and advances

Particulars	As at 31 March 2015	As at 31 March 2014
Loans and advances to Related Party		
Unsecured, Considered good	5,93,044	55,15,000
Loans and advances to Other		
Unsecured, Considered good	1,89,99,604	80,70,503
Prepaid Expenses	16,819	4,890
	1,96,09,467	1,35,90,393

### 2.14 Other Current Assets

Particulars	As at 31 March 2015	As at 31 March 2014
Advances recoverable in cash or in kind or for value to be received		
– advance to related party	1,34,95,396	4,91,30,278
– advance to employee	80,000	—
– advance to Others	378	378
Mat Credit available	5,10,000	5,10,000
Cenvat Available	2,15,403	1,37,165
Advance tax and tax deducted at source	12,00,444	12,00,444
	1,55,01,621	5,09,78,265

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.15 Operating Income**

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
<b>A)</b>	<b>Fee, Commission and brokerage</b> Fee, Commission and brokerage	—	—
<b>B)</b>	<b>Net Income from Trading of Shares and Securities</b>		
	Opening Stock of Shares	66,16,801	1,25,63,012
	Add : Purchase of Shares	9,67,88,454	5,73,70,206
		10,34,05,255	6,99,33,218
	Less : Closing Stock of Shares	36,58,062	66,16,801
	Cost of Shares sold	9,97,47,193	6,33,16,417
	Less : Sale of Shares	10,80,20,450	6,40,52,144
		82,73,257	7,35,727
	Profit/(Loss) on derivatives	60,86,491	19,47,700
	Opening Stock of Securities	—	—
	Add : Purchase of Securities	65,82,658	—
		65,82,658	—
	Less : Closing Stock of Securities	—	—
	Cost of Securities sold	65,82,658	—
	Less : Sale of Securities	66,08,929	—
		26,272	—
		1,43,86,020	26,83,427
<b>C)</b>	<b>Interest Income</b>		
	Interest on Loans	33,68,220	34,86,808
		33,68,220	34,86,808
	<b>Total Operating Income (A+B+C)</b>	1,77,54,240	61,70,235

**2.16 Other Operating Income**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Dividends received	2,71,79,842	21,778
Profit on Sale of Investment	10,75,869	—
	2,82,55,711	21,778

**2.17 Other income**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Miscellaneous income	29,174	1,09,569
Provision of Bad debts written back	61,800	—
Excess provision of Retirement benefit written back	—	861
Contingent provision on standard asset written back	—	1,30,173
	90,974	2,40,603

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

### 2.18 Employee benefits expenses

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, bonus and other allowances	22,28,762	18,72,911
Provision for Leave Encashment	97,546	542
Provision for Gratuity	61,820	—
Staff welfare	11,271	17,871
Contribution to provident and other funds	55,811	10,644
	<b>24,55,210</b>	<b>19,01,968</b>

### 2.19 Finance cost

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest expense	28,45,801	—
	<b>28,45,801</b>	<b>—</b>

### 2.20 Depreciation and Amortisation expenses

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Depreciation on :</b>		
Tangible Assets	9,194	1,935
Intangible Assets	—	—
	<b>9,194</b>	<b>1,935</b>

### 2.21 Other expenses

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Legal and professional charges	31,05,359	7,46,377
Rates, fee and taxes	8,00,474	4,23,531
Printing and stationery	2,85,888	3,09,544
Communication expenses	1,99,900	45,419
Miscellaneous expenses	53,361	1,11,707
Membership & subscription	1,64,970	63,708
Bad debts written off	61,800	—
Contingent provision on Standard Asset	12,572	—
Travelling and conveyance	71,250	96,123
Advertisement expenses	1,554	23,231
Bank Charges	1,502	8,086
Audit Remuneration	95,000	95,000
Provison for diminution of investment	—	12,63,000
	<b>48,53,630</b>	<b>31,85,726</b>

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.22 Contingent Liabilities**

Particulars	As at 31 March 2015	As at 31 March 2014
Corporate Guarantee (issued in favour of Almondz Global Securities Limited to Axis Bank Limited)	27,50,00,000	25,50,00,000

**2.23 Deferred Tax**

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

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Deferred Tax Liabilities</b>		
Provision for Retirement Benefits	83,266	33,062
Provision for Contingent Provision	15,099	11,544
<b>Total Deferred Tax Liabilities</b>	<b>98,365</b>	44,606
<b>Deferred Tax assets</b>		
Fixed Assets	5,30,736	6,24,661
Unabsorbed Capital Loss	32,14,451	77,54,415
Preliminary Expenses	—	22,094
<b>Total Deferred Tax Assets</b>	<b>37,45,187</b>	84,01,170
<b>Deferred Tax Assets (Net)</b>	<b>36,46,822</b>	83,56,564

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

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

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Net Profit After Tax available for Equity Shareholders	3,42,40,290	16,67,725
b) Weighted average No. of Equity Shares for Basic EPS (Nos.)	2,33,91,448	1,37,91,448
c) Weighted average No. of Equity Shares for Diluted EPS (Nos.)	2,33,91,448	1,37,91,448
d) Basic earning per share (Rs.)	1.46	0.12
e) Diluted earning per share (Rs.)	1.46	0.12

**2.25 Managerial Remuneration**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Managing Director : Salary and Allowances	16,30,200	13,05,720
b) Company Secretary : Salary and Allowances	1,81,568	87,677
c) C F O : Salary and Allowances	2,04,566	1,88,172

**Notes to the financial statements for the year ended 31 March 2015**
**(Amounts in Indian Rupees)**
**2.26 Payment to Auditors**

Particulars	Year ended	
	31 March 2015	31 March 2014
<b>Statutory Auditors</b> (exclusive of service tax)		
Audit Fee	95,000	95,000
Tax Audit Fee	20,000	20,000
Certification Fee	98,000	66,511
	<b>2,13,000</b>	<b>1,81,511</b>

**2.27 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 2015	31 March 2014
Opening defined benefit obligation	40,744	27,064
Interest cost	3,574	2,219
Current service cost	21,251	19,533
Benefits paid	—	—
Actuarial (gain)/loss on obligation	87,940	(8,072)
Closing defined benefit obligation	1,53,509	40,744

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

Particulars	Gratuity	
	31 March 2015	31 March 2014
Opening fair value of plan assets	58,515	7,930
Expected return	6,137	2,837
Contributions by employer	—	—
Actuarial gain/(losses)	(2,354)	47,748
Closing fair value of plan assets	62,298	58,515

**iii) Statement of Profit and Loss**

Particulars	Gratuity	
	31 March 2015	31 March 2014
Current service cost	21,251	19,533
Interest cost	3,574	2,219
Expected return on plan assets	(6,135)	(2,836)
Actuarial gain/(losses)	90,293	(8,657)
Net benefit expense	(1,08,983)	(10,259)
Actual return on plan assets	87,732	(9,274)

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**iv) Balance sheet**

Particulars	Gratuity	
	31 March 2015	31 March 2014
Defined benefit obligation	29,392	(30,253)
Fair value of plan assets	(61,820)	(59,645)
Employer Contribution	—	—
Plan Liability / (Asset)	91,212	29,392

Liability in respect of leave encashment at the end of the current year amounts to Rs. 165,425/-.

**Actuarial Assumptions**

Particulars	Gratuity		Leave Encashment	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
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%

**2.28 Segment Reporting**

For the year ended 31 March, 2015

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
<b>Segment Revenue</b>				
Gross Segment Revenue	61,800	4,60,09,951	29,174	4,61,00,925
Less : Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	61,800	4,60,09,951	29,174	4,61,00,925
<b>Segment Results</b>				
Segment Result before Extra-ordinary Items	—	4,09,64,150	(50,27,060)	3,59,37,090
Prior Period Expenses / (Income)	—	—	4,138	4,138
Profit before Tax	—	4,09,64,150	(50,31,198)	3,59,32,952
Less : Provision for Tax	—	—	16,92,662	16,92,662
Profit after Tax	—	4,09,64,150	(67,23,860)	3,42,40,290
<b>Other Information</b>				
Segment Assets	—	69,56,21,465	24,06,100	69,80,27,565
Segment Liabilities	—	21,99,457	12,29,408	34,28,865
Capital Expenditure	—	—	17,490	17,490
Depreciation	—	—	9,194	9,194
Non cash expenditure other than depreciation (net of non-cash income)	—	12,572	1,59,366	1,71,938

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.28 Segment Reporting (Continued)**

For the year ended 31 March, 2014

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
<b>Segment Revenue</b>				
Gross Segment Revenue	—	63,22,186	1,10,430	64,32,616
Less: Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	—	63,22,186	1,10,430	64,32,616
<b>Segment Results</b>				
Segment Result before Extra-ordinary Items	—	49,92,368	(36,49,381)	13,42,987
Prior Period Expenses / (Income)	—	—	23,097	23,097
Profit before Tax	—	49,92,368	(36,72,478)	13,19,890
Less: Provision for Tax	—	—	(3,47,835)	(3,47,835)
Profit after Tax	—	49,92,368	(33,24,643)	16,67,725
<b>Other Information</b>				
Segment Assets	—	60,02,87,933	26,69,930	60,29,57,863
Segment Liabilities	—	1,64,60,947	11,31,354	1,75,92,301
Capital Expenditure	—	—	—	—
Depreciation	—	—	1,935	1,935
Non cash expenditure other than depreciation (net of non-cash income)	—	11,32,827	(319)	11,32,508

- 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.

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## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

### 2.29 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
- b) M/s North Square Projects Private Limited (till 31 May 2014)
- c) M/s Express Infra financial Consultancy Services Private Limited
- d) M/s Latitude 23 Communication Limited
- e) M/s Almondz Insurance Brokers Private Limited
- f) M/s Almondz Re-Insurance Brokers Private Limited
- g) M/s Avonmore Developers Private Limited
- h) M/s Shivsathi Niketan Limited
- i) M/s Apricot Infosoft Private Limited
- j) M/s Anemone Holdings Private Limited
- k) M/s Glow Apparels 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
- b) Mr. Kunal Madaan - Company Secretary (w.e.f. 5 December, 2014)
- c) Ms. Shruti Aggarwal - CFO
- d) Ms. Reema Sachdeva - Company Secretary (till 30 September, 2014)

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 2014-15

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
<b>Income</b>				
Dividend	2,70,81,000	—	—	2,70,81,000
Rent	—	—	—	—
Profit on sale of Investment	—	10,00,000	—	10,00,000
Interest received	1,03,380	92,465	—	1,95,845
Sale of Securities	—	63,60,000	—	63,60,000
<b>Expenditure</b>				
Payments & Provision of Salary / Retirement benefits to Key Managerial Personnel	—	—	20,16,334	20,16,334
Purchase of securities	—	63,60,000	—	63,60,000
Interest paid	—	—	—	—
Expenses Reimbursed	—	—	—	—
Brokerage and DP Charges	—	4,31,861	—	4,31,861



**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.29 Related Party Disclosures (Continued)**

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
<b>Loans &amp; Advances</b>				
Balance as at 01.04.2014	—	26,50,000	—	26,50,000
Paid during the year	1,70,00,000	46,00,000	—	2,16,00,000
Receipts / Adjustments during the year	—	72,50,000	—	72,50,000
Balance as at 31.03.2015	—	72,50,000	—	72,50,000
<b>Investments</b>				
Balance as at 01.04.2014	16,55,88,400	36,49,83,453	—	53,05,71,853
Purchase of Investments	14,26,13,780	16,02,628	—	14,42,16,408
Sale during the year	5,00,000	1,50,00,000	—	1,55,00,000
Balance as at 31.03.2015	30,77,02,180	35,15,86,081	—	65,92,88,261
<b>Unsecured Loan</b>				
Balance as at 01.04.2014	55,15,000	10,00,000	—	65,15,000
Received during the year	—	—	—	—
Repayment of loan during the year	55,15,000	10,00,000	—	65,15,000
Balance as at 31.03.2015	—	—	—	—
<b>Advances for Expenses</b>				
Balance as at 01.04.2014	—	—	—	—
Received during the year	2,02,000	3,00,000	—	5,02,000
Repayment during the year	2,02,000	3,00,000	—	5,02,000
Balance as at 31.03.2015	—	—	—	—
<b>Sundry Debtors</b>				
Balance as at 31.03.2015	—	1,34,95,396	—	1,34,95,396

**For Financial year 2013 - 14**

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
<b>Income</b>				
Dividend	—	—	—	—
Rent	—	—	—	—
Profit on sale of Investment	—	—	—	—
Interest received	—	2,58,946	—	2,58,946
Sale of Securities	—	—	—	—

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.29 Related Party Disclosures (Continued)**

For Financial year 2013 - 14

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Total
<b>Expenditure</b>				
Payments & Provision of Salary/Retirement benefits to Key Managerial Personnel	—	—	15,81,569	15,81,569
Interest paid	—	—	—	—
Expenses Reimbursed	—	—	—	—
Brokerage and DP Charges	—	2,61,300	—	2,61,300
<b>Loans &amp; Advances</b>				
Balance as at 01.04.2013	—	—	—	—
Paid during the year	—	—	—	—
Receipts / Adjustments during the year	4,51,00,000	26,50,000	—	4,77,50,000
Balance as at 31.03.2014	4,51,00,000	26,50,000	—	4,77,50,000
<b>Investments</b>				
Balance as at 01.04.2013	10,00,000	34,99,83,453	—	35,09,83,453
Purchase of Investments	16,36,90,500	1,50,00,000	—	17,86,90,500
Sale during the year	—	—	—	—
Balance as at 31.03.2014	16,46,90,500	36,49,83,453	—	52,96,73,953
<b>Unsecured Loan</b>				
Balance as at 01.04.2013	54,65,000	—	—	54,65,000
Received during the year	50,000	60,50,000	—	61,00,000
Repayment of loan during the year	—	50,50,000	—	50,50,000
Balance as at 31.03.2014	55,15,000	10,00,000	—	65,15,000
<b>Advances for Expenses</b>				
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	—	—	—	—
<b>Sundry Debtors</b>				
Balance as at 31.03.2014	—	9,09,182	—	9,09,182

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## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

2.30 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 31.03.2015

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, 2015 (Lower of A or B) (in Rs.)
<b>Quoted Shares</b>				
Andhra Pradesh Paper Mills Limited	5,173	16,08,802	16,32,599	16,08,802
Elder Pharmaceuticals Limited	200	53,600	22,360	22,360
Geometric Limited	2,000	3,60,314	3,34,000	3,34,000
National Building Construction Compnay	1,000	10,29,323	9,57,550	9,57,550
Whirlpool of India limited	1,000	7,51,697	7,35,350	7,35,350
<b>Total</b>	<b>9,373</b>	<b>38,03,736</b>	<b>36,81,859</b>	<b>36,58,062</b>

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.)
<b>Quoted Shares</b>				
Andhra Pradesh Paper Mills Ltd.	16,297	42,29,358	37,60,553	37,60,553
Elder Pharmaceuticals Ltd.	200	61,613	40,090	40,090
HOV Services Ltd.	26,908	23,12,772	23,39,651	23,12,772
Novartis india Ltd.	229	94,126	1,01,779	94,126
Orient Abrasive	21,540	4,70,511	4,09,260	4,09,260
<b>Total</b>	<b>65,174</b>	<b>71,68,380</b>	<b>66,51,333</b>	<b>66,16,801</b>

2.31 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 2015.

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

**H. K. CHHABRA**  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

**Kunal Madaan**  
Company Secretary  
(ACS : A32429)

**Shruti Aggarwal**  
Chief Finance Officer

**Govind Prasad Agrawal**  
Director  
(DIN : 00008429)

**Ashok Kumar Gupta**  
Managing Director  
(DIN : 02590928)

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

**Form AOC - I**

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

Statement containing salient features of the financials statement of subsidiaries / associates companies

**Part A : "Subsidiaries"**

(Amount in Indian Rupees)

S. No.	1	2	3	4	5
Name of the subsidiary	Express Infra Financial Consultancy Private Limited	Latitude 23 Communication Limited	Glow Apparels Private Limited	Almondz Insurance Brokers Private Limited (AIBPL) *	Almondz Re-Insurance Brokers Private Limited (ARBPL) *
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company	Not applicable since not a foreign company
Share capital	15,70,00,000	18,49,000	2,00,00,000	1,80,00,000	2,00,00,000
Reserve & surplus	(14,98,757)	(15,36,125)	(4,82,667)	11,98,99,590	17,74,70,617
Total assets	15,55,11,789	3,20,235	2,49,40,110	19,92,95,729	36,23,06,572
Total Liabilities	10,546	7,360	54,22,777	6,13,96,139	16,48,35,955
Investments	15,39,21,842	—	1,65,64,644	2,02,40,600	7,02,24,120
Turnover	48,434	—	22,500	51,57,26,762	35,95,85,382
Profit before taxation	(10,40,886)	(20,096)	(3,05,278)	10,10,95,149	12,67,85,210
Provision for taxation	5,389	—	1,35,646	2,97,75,770	4,38,30,468
Profit after taxation	(10,46,275)	(20,096)	(4,40,924)	7,13,19,379	8,29,54,742
Proposed Dividend	—	—	—	4,05,00,000	1,20,00,000
% of Shareholding	100%	100%	100%	51%	51% (indirect)

**Note :1 Names of subsidiaries which are yet to commence operations**

- (a) Almondz infosystem Private Limited
- (b) Apricot Infosoft Private Limited
- (c) Avonmore Developers Private Limited
- (d) Anemone Holdings Private Limited
- (e) Shivsathi Niketan Limited

**Note :2 Names of subsidiaries which have been liquidated or sold during the year**

- (a) North Square Projects Private Limited

\* The Company has entered into an agreement for sale of shares of AIBPL, subject to approval of Insurance Regulatory and Development Authority (IRDA, an other regulatory authority), will be resulting into cessation of status of subsidiary of the AIBPL & ARBPL (a step-down subsidiary)

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

### Part B : "Associates and joint Ventures"

(Amount in Rupees)

Name of Associates	Almondz Global Securites Limited	Yug Infrastructure Private Limited*
Shares of Associates held by the company on the year end (Nos.)	1,29,38,814	15,00,000
Amount of investment in Associates	46,66,96,852	1,50,00,000
Extend of Holding (%)	49.99%	50.00%
Description of Significant influence	Direct holding	Indirect holding
Reason for no consolidation of associates	N/a	N/a
Networth attributable to Shareholding as per latest audited Balance Sheet	1,25,45,21,580	3,36,86,070
Profit/Loss for the year	7,58,71,696	7,30,317
i. Considered in Consolidation (%)	49.99%	50.00%
ii. Not Considered in Consolidation	Nil	Nil

#### Note : 1 Names of Associates which have been liquidated or sold during the year

(a) Yug infrastructures Private Limited

\* During the year, this associate was transferred to Avonmore Developers Private Limited (a wholly owned subsidiary of the Company)

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

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

**H. K. CHHABRA**  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

**Kunal Madaan**  
Company Secretary  
(ACS : A32429)

**Shruti Aggarwal**  
Chief Finance Officer

**Govind Prasad Agrawal**  
Director  
(DIN : 00008429)

**Ashok Kumar Gupta**  
Managing Director  
(DIN : 02590928)

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## Auditors' Report

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

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of M/s Avonmore Capital & Management Services Limited ("the company") and its subsidiaries (collectively referred to as 'the group'), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the consolidated Statement of Profit and Loss for the year then ended and consolidated Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its subsidiaries are responsible for maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its subsidiaries and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

### 3. Auditors' Responsibility

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

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

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

consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015 and the consolidated profit and its consolidated cash flows for the year ended on that date.

### 5. Report on other Legal and Regulatory Matters

1. As required by the Companies (Auditors' Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report issued in accordance with the Order on subsidiary companies, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, We report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the auditors;
  - (c) the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flows Statement dealt with by

this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) in our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the Directors of the respective companies as on March 31, 2015 taken on record by the Board of Directors of the company and the reports of the auditors of the subsidiary companies, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us and based on the auditors' report of

the respective subsidiaries issued in accordance with the Order :

- (i) There are no pending litigations affecting financial position of the hence no disclosure is required to be made.
- (ii) There are no long term contracts including derivatives contracts hence no provision is required to be made.
- (iii) The clause is not applicable as there is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : New Delhi  
Date : 29th May, 2015

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

**ANNEXURE REFERRED TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date.)

Our report on the order includes subsidiary companies incorporated in India on which auditors have reported on in accordance with the order. Our report in respect of these subsidiaries is based on the reports of their auditors.

(i) In respect of the Fixed Assets of the company and its aforesaid subsidiaries :

- (a) The respective entities have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management of the respective entities in accordance with the regular program, which, in our opinion and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us and based on the auditor's report issued in accordance with the Order on the aforesaid subsidiaries, no material discrepancies were noticed on such verification.

(ii) In respect of the Inventories of the company and its aforesaid subsidiaries :

- (a) As explained to us and based on the auditors' report issued in accordance with the order on the aforesaid subsidiaries, the inventories were physically verified during the year by the Management of the respective subsidiaries at reasonable intervals and no material discrepancies were noted on such verification.
- (b) In our opinion and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the procedures for verification of stock-in-trade followed by the respective Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, The Company is maintaining proper records in respect of stock-in-trade.

(iii) The Company and its subsidiaries have granted loans amounting to Rs. 1,70,00,000 to two number of parties which are covered in the registered maintained under Section 189 of the Companies Act, 2013. Balance outstanding as on 31st March, 2015 is amounting to Rs. 5,93,044/- and the maximum outstanding during the year is amounting to Rs. 35,21,365/-.

- (a) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, parties to whom loans have been granted have repaid the principal amount as per stipulation, wherever applicable.
- (b) According to the information and explanation given to us and on the basis of examination of records of the company, company has taken reasonable steps for

recovery of principal and interest where overdue amount is more than rupees one lakh.

(iv) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, there are adequate internal control procedures commensurate with the size of the respective company and the nature of its business with regard to purchase of inventory and fixed assets and for sales of goods and rendering of services. During the course of our audit and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries, no major weakness has been noticed in the internal controls.

(v) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the company and its aforesaid subsidiaries have not accepted any deposits from the public and do not have any unclaimed deposits. The provisions of the clause 3(v) of the Order are not applicable to the company and its aforesaid subsidiaries.

(vi) The provisions of clause 3(vi) of the Order are not applicable to the Company and its aforesaid subsidiaries as the respective entities are not covered by the Companies (Cost Records and Audit) Rules, 2014.

(vii) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries :

- (a) The respective entities have generally been regular depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the extent applicable, with the appropriate authorities.
- (b) There were no undisputed amounts in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period more than six months from the date they became payable.
- (c) The company and its subsidiaries have been regular in transferring amounts Investor Education and Protection Fund. There was no amount which required to be transferred to Investor Education and Protection Fund as on 31 March, 2015.

(viii) The Company and its subsidiaries, do not have consolidated accumulated losses at the end of the financial year covered under audit and in the immediate preceding financial year. The Company and its subsidiaries have not incurred consolidated cash losses during the current financial year and in the immediate preceding financial year.



## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

(ix) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries have not defaulted in repayment of dues to bank and financial institutions.

(x) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the Company has given guarantee for loans taken by others from banks. According to the information and explanation given to us, we are of the opinion that the terms and conditions are not *prima facie* prejudicial to the interest of the company. None of the subsidiaries has given guarantee for loans taken by others.

(xi) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the company

and its subsidiaries raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.

(xii) According to the information and explanation given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, 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**  
Proprietor

Place : New Delhi  
Date : 29th May, 2015

(FCA – Membership No. 089616)

**Consolidated Balance Sheet as at 31st March, 2015**

(Amounts in Indian Rupees)

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
<b>Equity &amp; Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	24,92,17,131	21,92,17,131
Reserves and surplus	2.2	56,05,85,780	44,45,77,991
		<b>80,98,02,911</b>	66,37,95,122
Minority Interest		—	125,941
<b>Non-current liabilities</b>			
Long-term provisions	2.3	1,65,204	58,353
		<b>1,65,204</b>	58,353
<b>Current liabilities</b>			
Short-term borrowings	2.4	60,01,058	7,55,72,947
Trade Payable	2.5	8,95,993	71,781
Other current liabilities	2.6	14,55,738	5,72,134
Short-term Provisions	2.7	8,54,721	4,40,688
		<b>92,07,510</b>	7,66,57,550
		<b>81,91,75,625</b>	74,06,36,966
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.8	28,223	59,70,932
Intangible assets	2.9	—	—
		<b>28,223</b>	59,70,932
Non current investments	2.10	76,82,25,100	71,08,11,281
Long Term loans & advances	2.11	79,66,857	—
		<b>77,61,91,957</b>	71,08,11,281
<b>Current assets</b>			
Inventories	2.12	36,58,062	66,16,801
Trade Receivable	2.13	76,780	—
Cash and cash equivalents	2.14	28,14,068	28,59,658
Short-term loans and advances	2.15	1,95,37,788	80,75,393
Other Current Assets	2.16	1,68,68,747	63,02,901
		<b>4,29,55,445</b>	2,38,54,753
		<b>81,91,75,625</b>	74,06,36,966

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**  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

**Kunal Madaan**  
Company Secretary  
(ACS : A32429)

**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, 2015**

(Amounts in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2015	Year ended 31 March 2014
<b>Income</b>			
Operating Income	2.17	1,76,50,856	61,70,235
Other Operating Income	2.18	2,82,55,711	21,778
Other income	2.19	2,20,430	2,56,400
<b>Total Revenue</b>		<b>4,61,26,997</b>	<b>64,48,413</b>
<b>Expenses</b>			
Employee benefits expenses	2.20	24,55,210	19,61,968
Finance Cost	2.21	28,45,801	—
Depreciation and amortisation expenses	2.22	9,194	1,935
Other expenses	2.23	66,29,706	36,49,327
<b>Total Expenses</b>		<b>1,19,39,911</b>	<b>56,13,230</b>
<b>Profit before extraordinary, prior period items and taxes</b>		<b>3,41,87,086</b>	<b>8,35,183</b>
Prior Period Income/(expenses) (net)		(4,138)	(23,097)
<b>Profit before tax</b>		<b>3,41,82,948</b>	<b>8,12,086</b>
<b>Tax expense :</b>			
Income tax for current year		17,02,676	—
Income Tax for Earlier Year		6,086	(3,47,835)
Provision for wealth tax		1,35,646	—
		<b>18,44,408</b>	<b>(3,47,835)</b>
<b>Net profit for the year before Minority Interest and share of Profit/(Loss) of Associates</b>		<b>3,23,38,540</b>	<b>11,59,921</b>
Share of Profit/(loss) of associate		3,82,93,803	2,61,86,490
<b>Profit for the Year</b>		<b>7,06,32,343</b>	<b>2,73,46,411</b>
Earnings per share (Face value Rs. 10 each)			
— Basic	2.30	3.02	1.98
— Diluted	2.30	3.02	1.98

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  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

Kunal Madaan  
Company Secretary  
(ACS : A32429)

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, 2015

(Amount in Indian Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
<b>A. Cash flow from operating activities</b>		
Profit before extraordinary, prior period items and taxes	3,41,87,086	8,35,183
<b>Adjustments for:</b>		
Depreciation	9,194	1,935
(Profit)/loss on sale of investment	(10,75,869)	—
Provision for Leave encashment	97,546	542
Provision for non performing assets	—	1,42,603
Bad debts written off	61,800	—
Provision for gratuity	61,820	(861)
Contingent provision for standard assets	12,572	(1,30,173)
Provision for bad debts written back	(61,800)	—
Dividend income	(2,71,79,842)	(21,778)
Preliminary Expenses written off	23,723	4,000
Provision for diminution in value of investment	—	12,63,000
Interest Income	(32,64,836)	(34,86,808)
Interest charges	28,45,801	—
	57,17,195	(13,92,357)
Less : Prior period expense / (income)	4,138	23,097
<b>Operating profit before working capital changes</b>	<b>57,13,057</b>	<b>(14,15,454)</b>
<b>Adjusted for net changes in working capital:</b>		
(Increase)/decrease in stock in trade	29,58,739	59,46,211
(Increase)/decrease in sundry debtors	(76,780)	—
(Increase)/decrease in loans and advances and other current assets	(3,00,31,393)	4,86,08,653
Increase/(decrease) in current liabilities and provisions	20,69,334	(70,563)
<b>Cash flow before extra ordinary items and tax</b>	<b>(1,93,67,043)</b>	<b>5,30,68,847</b>
Exclusion on disposal of subsidiary	62,00,510	—
Taxes paid	(18,44,408)	—
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(1,50,10,941)</b>	<b>5,30,68,847</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(17,490)	—
Dividend received	2,71,79,842	21,778
Sale of investment	3,05,75,869	—
Investments made	(4,86,20,016)	(28,09,82,477)
<b>Net cash from/(used in) investing activities (B)</b>	<b>91,18,206</b>	<b>(28,09,60,699)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	7,50,00,000	15,00,00,000
Proceeds from unsecured long term borrowings	—	7,55,50,947
Repayment of secured long term borrowings (net)	(6,95,71,889)	—
Interest income	32,64,836	34,86,808
Interest charges	(28,45,801)	—
<b>Net cash from/(used in) financing activities (C)</b>	<b>58,47,146</b>	<b>22,90,37,755</b>
<b>Net cash inflows during the year (A+B+C)</b>	<b>(45,590)</b>	<b>11,45,903</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>28,59,658</b>	<b>17,13,755</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>28,14,068</b>	<b>28,59,658</b>
<b>Notes</b>		
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 <b>Cash and Cash equivalents include:</b>		
Cash in hand	3,04,432	4,16,244
Balances with scheduled banks		
— on current account	25,09,636	24,43,414
— on deposit account	—	—
<b>Cash and cash equivalents (closing balance)</b>	<b>28,14,068</b>	<b>28,59,658</b>
Add: Fixed deposits (with a maturity more than 90 days) placed	—	—
<b>Cash and bank balances at the end of the year</b>	<b>28,14,068</b>	<b>28,59,658</b>

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

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

**H. K. CHHABRA**  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

**Kunal Madaan**  
Company Secretary  
(ACS : A32429)

**Shruti Aggarwal**  
Chief Finance Officer

**Govind Prasad Agrawal**  
Director  
(DIN : 00008429)

**Ashok Kumar Gupta**  
Managing Director  
(DIN : 02590928)

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### 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 comprising of the following :

S.No.	Name of the Subsidiary Company	Incorporated on	Country of Incorporation	% of voting power held as at	
				31 March 2015	31 March 2014
a)	Almondz Infosystem Private Limited	31 December 2012	India	100%	100%
b)	North Square Projects Private Limited	06 August 2012	India	Nil	100%
c)	Express Infra Financial Consultancy Private Limited	07 August 2009	India	100%	100%
d)	Glow Apparels Private Limited (Subsidiary w.e.f 13 February 2015)	24 January 2012	India	100%	100%
e)	Anemone Holdings Private Limited (subsidiary w.e.f 21 February 2015)	17 July 2014	India	100%	—
f)	Apricot Infosoft Private Limited (subsidiary w.e.f. 10 June 2014)	21 March 2014	India	100%	—
g)	Avonmore Developrers Private Limited (subsidiary w.e.f 23 July 2014)	04 June 2013	India	100%	—
h)	Latitude 23 Communication Limited (subsidiary w.e.f. 30 June 2014)	28 September 2005	India	100%	62.20%

- (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.

Temporary subsidiaries are as under :

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

- 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 2015.

**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), to comply with the accounting standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 2013 in respect of NBFC activities. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy either to in use.

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 schedule III of the Companies Act 2013. Previous year's figures have been regrouped/reclassified wherever considered necessary. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

The consolidated financial statements have been prepared based on the Schedule III of the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Previous year's figures have been regrouped/reclassified wherever considered necessary.

**(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) Current / Non-current classification**

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

**i) Assets**

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

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

**ii) Liabilities**

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

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

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

**(iv) 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.
- 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.

**(v) 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.

**(vi) 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.

**vii) 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.

**(viii) Fixed assets**

**(i) Tangible assets**

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

extent they relates to the period till such assets are ready to be put to use.

**Depreciation on tangible assets**

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

**(ii) Intangible assets and its amortisation**

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

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

**(ix) 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.

**(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) Current and deferred tax**

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

**(xv) Cash and cash equivalents**

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

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# AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

## 2.1 Share capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised</b> Equity shares of Rs. 10/- each	<b>3,00,00,000</b>	<b>30,00,00,000</b>	2,50,00,000	25,00,00,000
	<b>3,00,00,000</b>	<b>30,00,00,000</b>	2,50,00,000	25,00,00,000
<b>Issued and subscribed</b> Equity shares of Rs. 10/- each (including 13,79,380 shares forfeited)	<b>2,56,50,280</b>	<b>25,65,02,800</b>	2,26,50,280	22,65,02,800
	<b>2,56,50,280</b>	<b>25,65,02,800</b>	2,26,50,280	22,65,02,800
<b>Paid Up Capital</b> Equity shares of Rs. 10/- each, fully paid up Add : 13,79,380 shares forfeited	<b>2,42,70,900</b> <b>13,79,380</b>	<b>24,27,09,000</b> <b>65,08,131</b>	2,12,70,900 13,79,380	21,27,09,000 65,08,131
	<b>2,56,50,280</b>	<b>24,92,17,131</b>	2,26,50,280	21,92,17,131

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

Name of the Shareholders	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Navjeet Singh Sobti	—	—	37,92,549	17.83
Innovative Money Matters Private Limited	<b>85,89,251</b>	<b>35.39</b>	47,96,702	22.55
Veena Gases & Chemicals Private Limited	<b>15,24,058</b>	<b>6.28</b>	15,24,058	7.16
Dinkar Commercials Private Limited	<b>15,00,000</b>	<b>6.18</b>	—	—
Amarendra Financial Private Limited	<b>15,00,000</b>	<b>6.18</b>	—	—
	<b>1,31,13,309</b>	<b>54.03</b>	1,01,13,309	47.54

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2015 and March 31, 2014 is set out below :

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	<b>2,12,70,900</b>	<b>21,27,09,000</b>	1,37,70,900	13,77,09,000
Add : Shares Forfeited (at the beginning)	<b>13,79,380</b>	<b>65,08,131</b>	13,79,380	65,08,131
Add : Issued during the year	<b>30,00,000</b>	<b>3,00,00,000</b>	75,00,000	7,50,00,000
At the end of the year	<b>2,56,50,280</b>	<b>24,92,17,131</b>	2,26,50,280	21,92,17,131

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.2 Reserves and surplus**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Share Premium</b>		
At the beginning of the year	21,14,17,900	13,64,17,900
Add : addition during the year	4,50,00,000	7,50,00,000
At the end of the year	25,64,17,900	21,14,17,900
<b>Capital Reserve</b>	7,47,60,968	7,44,48,968
Add : Capital Reserve of subsidiary concern	5,45,220	3,12,000
At the end of the year	7,53,06,188	7,47,60,968
<b>Special reserve</b>		
At the beginning of the year	98,11,103	94,77,558
Add : addition during the year	68,48,058	3,33,545
At the end of the year	1,66,59,161	98,11,103
<b>(Deficit)/surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	14,85,88,020	12,24,59,505
Less : Depreciation related to preious Year	7,152	—
Less : Previous Year loss of Subsidiary	1,62,622	—
Add : Profit after tax net of share in associate's profit and minority interest	—	(14,57,410)
Add : Profit for the Period (after Special Reserve)	2,54,90,482	8,26,376
Surplus available for Appropriation	17,39,08,728	12,18,28,471
Share of profit/(losses) of associates	3,82,93,803	2,61,86,490
Minority Interest	—	5,73,059
	21,22,02,531	14,85,88,020
Net Surplus carried to balance sheet	56,05,85,780	44,45,77,991

**2.3 Long-term provisions**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Provision for employee benefits</b>		
- Gratuity	34,784	—
- Compensated absences	1,30,420	58,353
	1,65,204	58,353

**2.4 Short-term borrowings**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Loan From Related Parties</b>		
Unsecured	—	12,000
<b>Loan from others</b>		
Unsecured	60,01,058	7,55,60,947
	60,01,058	7,55,72,947

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.5 Trade Payable**

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Trade Payable	<b>8,95,993</b>	71,781
	<b>8,95,993</b>	71,781

**2.6 Other current liabilities**

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Expenses payable	<b>8,32,589</b>	2,33,027
Payable to employees	<b>2,17,763</b>	1,18,880
Statutory liabilities	<b>4,05,386</b>	24,952
Unpaid Dividend	—	1,95,275
	<b>14,55,738</b>	5,72,134

**2.7 Short-term Provisions**

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Contingent provision for standard Assets	<b>46,536</b>	33,964
Gratuity	<b>56,428</b>	29,392
Compensated absences	<b>35,005</b>	9,526
Provision for Non performing assets	<b>1,42,603</b>	1,42,603
Provision for wealth tax	<b>1,35,646</b>	—
Net Provision for Taxation	<b>4,38,503</b>	2,25,203
	<b>8,54,721</b>	4,40,688

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**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2015**
**(Amounts in Indian Rupees)**
**2.8 Tangible assets**

Cost	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	Additions	Adjust- ment	Deletions	As at 31 March 2015
Land (Plot No. A-007, Dharuhera)	59,43,853	—	—	59,43,853	—	—	59,43,853	—
Furniture and fixtures	79,920	—	—	79,920	—	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	—	93,300
Office equipments	36,000	—	—	36,000	17,490	—	—	53,490
	61,53,073	—	—	61,53,073	17,490	—	59,43,853	2,26,710

Depreciation	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	Additions	Adjust- ment	Deletions	As at 31 March 2015
Land (Plot No. A-007, Dharuhera)	—	—	—	—	—	—	—	—
Furniture and fixtures	79,920	—	—	79,920	—	—	—	79,920
Computers and peripherals	93,300	—	—	93,300	—	—	—	93,300
Office equipments	6,986	1,935	—	8,921	9,194	7,152	—	25,267
	1,80,206	1,935	—	1,82,141	9,194	7,152	—	1,98,487

Carrying amounts				As at 31 March 2014				As at 31 March 2015
Land (Plot No. A-007, Dharuhera)				59,43,853				—
Furniture and fixtures				—				—
Computers and peripherals				—				—
Office equipments				27,079				28,223
				59,70,932				28,223

**2.9 Intangible assets**

Cost	As at 1 April 2013	Additions	Deletions / other Adjustment	As at 31 March 2014	Additions	other Adjust- ment	Deletions	As at 31 March 2015
Painting and sculpture	13,53,474	—	13,53,474	—	—	—	—	—
<b>Total</b>	13,53,474	—	13,53,474	—	—	—	—	—

Amortisation	As at 1 April 2013	Additions	Deletions / other Adjustment	As at 31 March 2014	Additions	other Adjust- ment	Deletions	As at 31 March 2015
Painting and sculpture	1,70,496	—	1,70,496	—	—	—	—	—
<b>Total</b>	1,70,496	—	1,70,496	—	—	—	—	—

Carrying amounts				As at 31 March 2014				As at 31 March 2015
Painting and sculpture				—				—
<b>Total</b>				11,82,978				—

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

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

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Long - term, other investment</b>		
<b>(A) Unquoted</b>		
<b>Investment in equity shares</b>		
Globus Industries & Services Limited 10,000 (P.Y. 10,000) equity shares of Rs. 10/- each fully Paid up	1,00,000	1,00,000
Almondz Insurance Brokers Private Limited 9,18,000 (P.Y. 918,000) equity shares fo Rs. 10/- each fully paid up	11,38,89,400	11,38,89,400
Shiivaz Spas & Hospitality Private Limited 20,000 (P.Y. 20,000) equity shares of Rs. 10/- each fully Paid up	2,00,000	2,00,000
Almondz Commodities Private Limited 2,50,000 (P.Y. 2,50,000) equity shares of Rs. 10/- each fully Paid up	25,00,000	2,50,00,000
Shivsathi Niketan Limited 26,000 (P.Y. Nil) equity shares of Rs. 10/- each fully paid up	2,60,000	—
	<b>11,69,49,400</b>	11,66,89,400
Less : Diminution in the value of investment	<b>(12,51,700)</b>	(1,851,700)
<b>Total</b>	<b>11,56,97,700</b>	11,48,37,700
Yug Infrastrucutres Private Limited 15,00,000 (P.Y. 15,00,000) equity shares fo Rs. 10/- each fully paid up	<b>1,50,00,000</b>	1,50,00,000
Add : Accumulated income/ (losses) from associates	<b>67,084</b>	(2,98,623)
<b>Total</b>	<b>1,50,67,084</b>	1,47,01,377
<b>Gross Total (A)</b>	<b>13,07,64,784</b>	12,95,39,077
<b>(B) Quoted</b>		
<b>Investment in equity shares</b>		
Almondz Global Securities Limited 1,29,38,814 (P. Y. 1,28,58,314) equity shares of Rs. 6/- each, fully paid up	<b>34,88,86,082</b>	34,72,83,452
Add : Accumulated Profit / (losses) from associates	<b>11,78,10,770</b>	7,98,82,674
<b>Total (B)</b>	<b>46,66,96,852</b>	42,71,66,126
<b>(C) Investment in Immovable property</b>	<b>16,95,80,486</b>	15,29,23,100
<b>(D) Government securities</b>		
National Savings Certificate	<b>23,000</b>	23,000
Less : Diminution in the value of investment	<b>(23,000)</b>	(23,000)
<b>Net Total (D)</b>	<b>—</b>	—
<b>(E) Painting &amp; sculpture</b>		
Painting & sculpture	<b>11,82,978</b>	11,82,978
<b>Total (A+B+C+D+E)</b>	<b>76,82,25,100</b>	71,08,11,281
Aggregate market value of quoted investment	<b>13,58,57,547</b>	9,38,69,342
Aggregate book value of quoted investment	<b>46,66,96,852</b>	42,71,66,126
Aggregate cost of unquoted investment	<b>30,15,28,248</b>	28,36,45,155

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.11 Long term loans & advances**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Unsecured, Considered Good</b>		
Capital Advance		
Advance for property	79,66,857	—
	<b>79,66,857</b>	<b>—</b>

**2.12 Inventories**

Particulars	As at 31 March 2015	As at 31 March 2014
Equity Shares, quoted at Cost or net realisable value, whichever in lower	36,58,062	66,16,801
	<b>36,58,062</b>	<b>66,16,801</b>

**2.13 Trade receivables**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Considered good</b>		
outstanding for more than six months	44,000	—
– other debts	32,780	—
<b>Considered doubtful</b>		
– outstanding for more than six months	—	61,800
– other debts	—	—
	<b>76,780</b>	<b>61,800</b>
Less: Provision for doubtful debts	—	61,800
	<b>76,780</b>	<b>—</b>

**2.14 Cash and cash equivalents**

Particulars	As at 31 March 2015	As at 31 March 2014
Cash in Hand	304,432	4,16,244
Balances with scheduled banks :		
– on current accounts	25,09,636	24,43,414
	<b>28,14,068</b>	<b>28,59,658</b>

**2.15 Short-term loans and advances**

Particulars	As at 31 March 2015	As at 31 March 2014
Loans to Body Corporate / Others		
UnSecured, Considered good	1,95,20,969	80,70,503
Prepaid expenses	16,819	4,890
	<b>1,95,37,788</b>	<b>80,75,393</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**2.16 Other Current Asset**

Particulars	As at 31 March 2015	As at 31 March 2014
Advances recoverable in cash or in kind or for value to be received	1,34,95,772	13,92,656
Loan to employee	80,000	—
Preliminary expenses	6,000	—
Advance against share applicaion money	—	26,50,000
Mat Credit available	5,10,697	5,10,000
Fixed deposit with bank	13,37,697	4,00,000
Accrued interest but not due	21,881	12,636
Balance with service Tax Authorities	2,15,403	1,37,165
Income tax Refunds	12,01,297	12,00,444
	<b>1,68,68,747</b>	<b>63,02,901</b>

**2.17 Operating Income**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>a) Fee, Commission and brokerage</b>		
Fee, Commission and brokerage	—	—
<b>Total (a)</b>	<b>—</b>	<b>—</b>
<b>b) Net income from Trading in shares and securities</b>		
<b>Net Income on trading of shares/securities</b>		
<b>Trading of shares</b>		
Opening stock of shares	66,16,801	1,25,63,012
Add : Cost of shares purchased	9,67,88,454	5,73,70,206
	<b>10,34,05,255</b>	<b>6,99,33,218</b>
Less : Closing stock of shares	36,58,062	66,16,801
	<b>9,97,47,193</b>	<b>6,33,16,417</b>
Cost of shares sold	10,80,20,450	6,40,52,144
Less : Sale of shares		
	<b>82,73,257</b>	<b>7,35,727</b>
<b>Profit/(Loss) on derivatives</b>	<b>60,86,491</b>	<b>19,47,701</b>
<b>Trading of Securities</b>		
Opening Stock of Securities	—	—
Add : Purchase of Securities	65,82,658	—
	<b>65,82,658</b>	<b>—</b>
Less : Closing Stock of Securities	—	—
	<b>65,82,658</b>	<b>—</b>
Cost of Securities sold	66,08,929	—
Less : Sale of Securities		
	<b>26,272</b>	<b>—</b>
<b>Total (b)</b>	<b>1,43,86,020</b>	<b>26,83,428</b>
<b>c) Interest income</b>		
Interest on Loans	32,64,836	34,86,807
(Gross of tax deducted at source Rs. 4,69,635/-, (Previous Year Rs. 11,39,757/-)		
<b>Total (c)</b>	<b>32,64,836</b>	<b>34,86,807</b>
<b>Total Operating Income (a+b+c)</b>	<b>1,76,50,856</b>	<b>61,70,235</b>

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

2.18 Other Operating Income

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Dividend Received	2,71,79,842	21,778
Profit on sale of investment	10,75,869	—
	<b>2,82,55,711</b>	21,778

2.19 Other income

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Miscellaneous income	1,58,630	1,25,366
Excess provision of Retirement benefit written back	—	861
Contingent provision on standard asset written back	—	1,30,173
Provision for Bad debts written back	61,800	—
	<b>2,20,430</b>	2,56,400

2.20 Employee benefits expenses

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, bonus and other allowances	22,28,762	19,32,911
Provisions for leave encashment	97,546	542
Provisions for Gratuity	61,820	—
Staff welfare	11,271	17,871
Contribution to Provident and other funds	55,811	10,644
	<b>24,55,210</b>	19,61,968

2.21 Finance Cost

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest Expenses	28,45,801	—
	<b>28,45,801</b>	—

2.22 Depreciation & Amortisation expenses

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Depreciation on :</b>		
Tangible Assets	9,194	1,935
Intangible Assets	—	—
	<b>9,194</b>	1,935



## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

### 2.23 Other expenses

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Legal and professional charges	31,33,843	7,53,304
Rates and taxes	24,65,871	8,54,081
Printing and stationery	2,85,888	3,09,544
Communication expenses	2,01,248	45,419
Miscellaneous expenses	64,079	1,11,740
Membership & Subscription	1,64,970	63,708
Bank charges	9,554	12,317
Bad debts written off	61,800	—
Travelling and conveyance	71,250	96,123
Contingent provision on Standard assets	12,572	—
Preliminary expenses written off	23,723	4,000
Advertisement expenses	1,554	23,231
Auditors' Remuneration	1,33,354	1,12,860
Provision for diminution in investment	—	12,63,000
	<b>66,29,706</b>	<b>36,49,327</b>

### 2.24 Contingent Liabilities

Particulars	As at 31 March 2015	As at 31 March 2014
Corporate Guarantee (issued in favour of Almondz Global Securities Limited to Axis Bank Limited)	27,50,00,000	25,50,00,000

### 2.25 The detail of prior period items are as follows :

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Expenses</b>		
Legal and professional charges	2,124	15,927
Communication expenses	2,014	2,170
Others	—	5,000
<b>Prior period expenses</b>	<b>4,138</b>	<b>23,097</b>
<b>Income</b>		
Legal and professional charges	—	—
Others	—	—
<b>Prior period income</b>	<b>—</b>	<b>—</b>
<b>Prior period expenses (Net)</b>	<b>4,138</b>	<b>23,097</b>

### 2.26 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.

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

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

Particulars	Gratuity	
	31 March 2015	31 March 2014
Opening defined benefit obligation	40,744	27,064
Interest cost	3,574	2,219
Current service cost	21,251	19,533
Benefits paid	—	—
Actuarial (gain)/loss on obligation	87,940	(8,072)
Closing defined benefit obligation	1,53,509	40,744

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

Particulars	Gratuity	
	31 March 2015	31 March 2014
Opening fair value of plan assets	58,515	7,930
Expected return	6,137	2,837
Contributions by employer	—	—
Benefits paid	—	—
Actuarial gain / (losses)	(2,354)	47,748
Closing fair value of plan assets	62,298	58,515

iii) Statement of Profit and Loss :

Particulars	Gratuity	
	31 March 2015	31 March 2014
Current service cost	21,251	19,533
Interest cost	3,574	2,219
Expected return on plan assets	(6,135)	(2,836)
Actuarial gain / (losses)	90,293	(8,657)
Net benefit expense	(1,08,983)	(10,259)
Actual return on plan assets	87,732	(9,274)

iv) Balance sheet :

Particulars	Gratuity	
	31 March 2015	31 March 2014
Defined benefit obligation	29,392	(30,253)
Fair value of plan assets	(61,820)	(861)
Employer Contribution	—	—
Plan Liability / ( Asset)	91,212	29,392

Liability in respect of leave encashment at the end of the current year amounts to Rs. 165,425/-

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

**Actuarial Assumptions**

Particulars	Gratuity		Leave Encashment	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
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%

**2.27 Managerial Remuneration :**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Managing Director : Salary, Wages & Allowances	16,30,200	13,05,720
b) Company Secretary Salary, Wages & Allowances	1,81,568	87,677
c) CFO Salary, Wages & Allowances	2,04,566	1,88,172

**2.28 Details of income and expenditure in foreign currency :**

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
(i)	<b>Income earned in foreign Currency</b>		
	Brokerage	NIL	NIL
	<b>Total</b>	NIL	NIL
(ii)	<b>Expenditure incurred in foreign Currency</b>		
	Travelling Expenses	NIL	NIL
	Membership and Subscription	NIL	NIL
	Books and Periodicals Expenses	NIL	NIL
	Bank charges	NIL	NIL
	Conference expenses	NIL	NIL
	<b>Total</b>	NIL	NIL

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## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

### 2.29 Deferred tax

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

Components	As at 31 March 2015		As at 31 March 2014	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Fixed Assets	5,30,736	—	6,24,661	—
Provision for retirement benefit	—	83,266	—	33,062
Contingent Provision	—	15,099	—	11,544
Miscellaneous expenditure to the extent not written off or adjusted	—	—	22,094	—
Unabsorbed Capital Loss	32,14,451	—	77,54,415	—
<b>Total</b>	<b>37,45,187</b>	<b>98,365</b>	<b>84,01,170</b>	<b>44,606</b>
Net deferred tax liability / (Assets)		<b>(36,46,822)</b>		<b>(83,56,564)</b>
<b>Less : Not recognised in financials (see remark below)</b>		<b>(36,46,822)</b>		<b>(83,56,564)</b>
As per financials		—		—

#### Remarks

Since net results is amounting to Deferred Tax Assets in Avonmore Capital & Managements Services Limited and its wholly owned subsidiaries i.e, Almondz Infosystem Private Limited and Glow Apparels Private Limited, Latitude 23 Communionation Limited, Avonmore Developers Private Limited, Apricot Infosoft Private Limited, Express Infra Financial Consultancy Private Limited and Anemone holdings Private Limited, the same has not been recognized in these accounts as per conservative accounting policies of the company.

### 2.30 Earnings per share :

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

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Net Profit After Tax available for equity shareholders (A)	7,06,32,343	2,73,46,411
Weighted average number of equity shares for Basic EPS (B)	2,33,91,448	1 37,91,448
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)	2,33,91,448	1,37,91,448
Basic EPS (A/B)	3.02	1.98
Diluted EPS (A/C)	3.02	1.98

### 2.31 Payment to Auditors'

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Statutory Auditors (exclusive of service tax)</b>		
Audit Fee	1,01,371	98,371
Tax Audit Fee	20,000	20,000
Certification Fee	98,000	66,511
	<b>2,19,371</b>	<b>1,84,882</b>

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

### 2.32 Related Party Disclosure

Names of related parties & description of relationship :

(i) **Associates**

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

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

- a) M/s Almondz Insurance Brokers Private Limited
- b) M/s Almondz Re-Insurance Brokers Private Limited
- c) M/s Shivsathi Niketan Limited

(iii) **Key Managerial Personnel :**

- a) Mr. Ashok Kumar Gupta - Managing Director
- b) Ms. Reema Sachdeva - Company Secretary (till 30.09.2014)
- c) Mr. Kunal Madaan - Company Secretary (w.e.f 05.12.2014)
- d) Ms. Shruti Aggarwal - CFO

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 2015	Amount 31 March 2014
<b>1)</b>	<b>Transactions during the Year</b>		
(A)	<b>Income</b>	<b>3,45,33,465</b>	<b>2,58,924</b>
	<b>Interest received</b>		
a	<b>Associates</b>	<b>92,465</b>	<b>2,58,924</b>
	Almondz Commodities Private Limited	92,465	2,58,924
b	<b>Sale of Securities</b>	<b>63,60,000</b>	—
	<b>Associates</b>	<b>63,60,000</b>	—
	Almondz Finanz Limited	41,63,017	—
	Almondz Global Securities Limited	21,96,983	—
c	<b>Profit on sale of investment</b>	<b>10,00,000</b>	—
	<b>Associates</b>		
	Almondz Global Securities Limited	10,00,000	—
d	<b>Dividend received</b>	<b>2,70,81,000</b>	—
	Almondz Insurance Brokers Private Limited	2,70,81,000	—
(B)	<b>Expenditure</b>	<b>88,08,195</b>	<b>15,67,020</b>
a	<b>Managerial Remuneration</b>	<b>20,16,334</b>	<b>15,81,569</b>
	<b>Key Managerial Personnel</b>	<b>20,16,334</b>	<b>15,81,569</b>
	Ashok Kumar Gupta	16,30,200	13,05,720
	Reema Sachdeva	90,600	87,677
	Kunal Madaan	90,968	—
	Shruti Aggarwal	2,04,566	1,88,172

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

S. No.	Particulars	Amount 31 March 2015	Amount 31 March 2014
b	<b>Interest Paid</b>	—	—
	<b>Associates</b>	—	—
c	<b>Purchase of Bonds</b>	63,60,000	—
	<b>Associates</b>	63,60,000	—
	Almondz Finanz Limited	63,60,000	—
d	<b>Brokerage and DP Charges</b>	4,31,861	2,61,300
	<b>Associates</b>	4,31,861	2,61,300
	Almondz Global Securities Limited	4,31,861	2,61,300
(C)	<b>Assets / Liabilities</b>		
a	<b>Investments made during the year</b>	2,60,000	1,50,00,000
	<b>Associates</b>	—	1,50,00,000
	Yug Infrastructures Private Limited	—	1,50,00,000
	<b>Temporary subsidiary</b>	2,60,000	—
	Shivsathi Niketan Limited	2,60,000	—
b	<b>Sale of investment to</b>	5,00,000	—
	<b>Associates</b>	5,00,000	—
	Almondz Global Securities Limited	5,00,000	—
c	<b>Sale of investment of</b>	1,50,00,000	—
	<b>Associates</b>	1,50,00,000	—
	Yug Infrastructures Private Limited	1,50,00,000	—
d	<b>Loans and Advances</b>		
	<b>Loans &amp; advances paid/adjustments during the year</b>	49,00,000	—
	<b>Associates</b>	49,00,000	—
	Innovative Money Matters Private Limited	3,00,000	—
	Yug Infrastructures Private Limited	46,00,000	—
e	<b>Loan &amp; advances Receipts/adjustments during the year</b>		
	<b>Associates</b>	79,00,000	—
	Yug Infrastructures Private Limited	76,00,000	—
	Innovative Money Matters Private Limited	3,00,000	—
f	<b>Unsecured Loan</b>		
	<b>Loan taken during the year</b>	—	60,50,000
	<b>Associates</b>	—	60,50,000
	Almondz Commodities Private Limited	—	60,50,000
g	<b>Loan Repayment during the year</b>	10,00,000	50,50,100
	<b>Associates</b>	10,00,000	50,50,100
	Almondz Commodities Private Limited	10,00,000	50,50,100

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2015**
**(Amounts in Indian Rupees)**

S. No.	Particulars	Amount 31 March 2015	Amount 31 March 2014
2	<b>Closing balance as at March 31, 2015</b>		
a	<b>Debtors / Receivables</b>	<b>1,34,95,396</b>	<b>9,09,182</b>
	<b>Associates</b>	<b>1,34,95,396</b>	<b>9,09,182</b>
	Almondz Global Securities Limited (Client A/c)	1,34,95,396	9,09,182
b	<b>Investments</b>	<b>35,15,86,081</b>	<b>36,49,83,453</b>
	<b>Associates</b>	<b>35,15,86,081</b>	<b>36,49,83,453</b>
	Almondz Commodities Private Limited	25,00,000	25,00,000
	Almondz Global Securities Limited	34,88,86,081	34,72,83,453
	Shivaz Spas & Hospitality Private Limited	2,00,000	2,00,000
	Yug Infrastructures Private Limited	—	1,50,00,000
c	<b>Loans and Advances</b>	<b>—</b>	<b>10,00,000</b>
	<b>Associates</b>	<b>—</b>	<b>10,00,000</b>
	Almondz Commodities Private Limited	—	10,00,000

**2.33 Segment Reporting :**
**For the year ended 31 March 2015**

Particulars	Fees and Commission	Income from Investments and Trading	Unallocable	Total
<b>Segment Revenue</b>				
Gross Segment Revenue	61,800	4,59,06,567	1,58,630	4,61,26,997
Less : Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	61,800	4,59,06,567	158,630	4,61,26,997
<b>Segment Results</b>				
Segment Result before Prior Period Items	—	4,04,41,731	(66,73,680)	3,37,68,051
Add : Interest Income	—	32,64,836	—	32,64,836
Less : Interest Expenses	—	28,45,801	—	28,45,801
Prior Period Expenses / (Income)	—	—	4,138	4,138
Profit before Tax	—	4,08,60,766	(66,77,818)	3,41,82,948
Less : Provision for Tax	—	—	18,44,408	18,44,408
Profit after Tax	—	4,08,60,766	(85,22,226)	3,23,38,540
<b>Other Information</b>				
Segment Assets	—	50,24,40,196	31,67,35,429	81,91,75,625
Segment Liabilities	—	21,99,457	71,73,257	93,72,714
Capital Expenditure	—	—	17,490	17,490
Depreciation	—	—	9,194	9,194
Non cash expenditure other than depreciation (net of non-cash income)	—	12,572	1,83,089	1,95,661

**Notes to the consolidated financial statements for the year ended 31 March 2015**
**(Amounts in Indian Rupees)**
**For the year ended 31 March 2014**

<b>Particulars</b>	<b>Fees and Commission</b>	<b>Income from Investments and Trading</b>	<b>Unallocable</b>	<b>Total</b>
<b>Segment Revenue</b>				
Gross Segment Revenue	—	63,22,186	1,26,227	64,48,413
Less : Inter Segment Adjustment	—	—	—	—
Net Segment Revenue	—	63,22,186	1,26,227	64,48,413
<b>Segment Results</b>				
Segment Result before Prior Period Items	—	15,05,560	(41,57,185)	(26,51,625)
Add : Interest Income	—	34,86,808	—	34,86,808
Less : Interest Expenses	—	—	—	—
Prior Period Expenses / (Income)	—	—	23,097	23,097
Profit before Tax	—	49,92,368	(41,80,282)	8,12,086
Less : Provision for Tax	—	—	(3,47,835)	(3,47,835)
Profit after Tax	—	49,92,368	(38,32,447)	11,59,921
<b>Other Information</b>				
Segment Assets	—	49,78,34,933	24,28,02,033	74,06,36,966
Segment Liabilities	—	1,64,60,947	6,0254,956	7,67,15,903
Capital Expenditure	—	—	—	—
Depreciation	—	—	1,935	1,935
Non cash expenditure other than depreciation (net of non-cash income)	—	11,36,827	(319)	11,36,508

- 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'



## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2015

(Amounts in Indian Rupees)

2.34 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 2015.

(Amounts in Indian Rupees)

### 2.35 Statement of Net Assets and Profit or Loss attributable to owners and minority interest

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

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

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

**H. K. CHHABRA**  
Proprietor  
(FCA – Membership No. 089616)  
Place : New Delhi  
Date : 29th May, 2015

**Kunal Madaan**  
Company Secretary  
(ACS : A32429)

**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
	<b>Current Investments :</b>	
	<b>(1) Quoted :</b>	
	(i) Shares : (a) Equity	—
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others	—
	<b>(2) Unquoted :</b>	
	(i) Shares : (a) Equity	—
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others	—
	<b>Outstanding</b>	
	<b>Long Term Investments :</b>	
	<b>(1) Quoted :</b>	
	(i) Shares : (a) Equity	3,488.86
	: (b) Preference	—
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Others	—
	<b>(2) Unquoted :</b>	
	(i) shares : (a) Equity	2,087.89
	: (b) Preference	1,000.00
	(ii) Debenture and Bonds	—
	(iii) Units of mutual Funds	—
	(iv) Government Securities	—
	(v) Other	11.83
	<b>Total</b>	<b>6,588.58</b>

(5)	Borrower group - wise classification of assets financed as in (2) and (3) above :		
Category	Amount net of provision		
	Secured	unsecured	Total
<b>(1) Related Parties</b>			
(a) Subsidiaries	—	5.94	5.94
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
<b>(2) Other than related parties</b>	—	—	—
<b>Total</b>	—	189.99	189.99

Amount in Rs. (Lacs)

<b>(6)</b>	<b>Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>		
	<b>Category</b>	<b>Market Value / Break up or fair value of NAV</b>	<b>Book Value (net of Provisions)</b>
	<b>(1) Related Parties</b>		
	(a) Subsidiaries	3,078.41	3,072.41
	(b) Companies in the same group	—	—
(c) Other related parties	1,374.06	3,504.34	
<b>(2) Other than related parties</b>			
	11.83	11.83	
Total		4,464.30	6,588.58

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