



## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Corporate Information

<b>Board of Directors</b>	Mr. Govind Prasad Agrawal - Non-Executive Chairman Mr. Ashok Kumar Gupta - Managing Director Ms. Ashu Gupta - Non-Executive Director Mr. Ajay Kumar - Non-Executive & Independent Director Mr. Bhupinder Singh - Non-Executive & Independent Director Mr. Shyam Sunder Lal Gupta - Non-Executive & Independent Director
<b>Auditors</b>	Mohan Gupta & Company Chartered Accountants B-2A/37, JanakPuri, Near Metro Pillar No. 536, Main Najafgarh Road, New Delhi-110058 Ph:45597859/41612538 e-mail : mohan.mgc@gmail.com
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Shilpa Bhatia
<b>Bankers</b>	HDFC Bank Ltd. AXIS Bank Ltd.
<b>Registrar &amp; Share Transfer Agent</b>	Beetal Financial & Computer Services Pvt. Ltd. "Beetal House", 3 <sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062, Phones: 011-29961281, 29961282, Fax: 011-29961280/84 E-mail: <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> , Website: <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>
<b>Registered Office</b>	F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020

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## Directors' Report

**To the Members,**

Your directors have pleasure in presenting the 29<sup>th</sup> Annual Report along with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021.

**FINANCIAL SUMMARY / HIGHLIGHTS**

The Standalone and Consolidated financial highlights of your Company are as follows:

(Rs. In Lakhs)

Particulars	2020-21		2019-20	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	321.36	7201.70	257.20	7218.71
Total expenditure	263.60	6183.67	175.80	6639.8
Profit before Tax	67.76	1018.02	81.40	578.90
Provision for Tax	11.02	261.39	16.18	(184.17)
Profit after Tax (Including share of Net profit of Associates)	46.73	2977.74	65.22	1805.27
Other Comprehensive income (Loss) (net of tax)	1.84	58.03	0.68	71.6
<b>Total Comprehensive Income</b>	<b>48.57</b>	<b>3,035.77</b>	<b>65.90</b>	<b>1,876.87</b>

**STANDALONE & CONSOLIDATED FINANCIALS**

Total revenues for the financial year ended March 31, 2021 amounted to Rs.321.36 Lakhs as compared to Rs. 257.20 Lakhs in the previous financial year. As per the Consolidated Accounts, the total revenues are Rs. 7201.70 Lakhs, as against the previous financial year's revenue of Rs. 7218.71 Lakhs. Net Profit after tax for the financial year 2020-21 is amounted to Rs.46.73 Lakhs as against Rs. 65.22 Lakhs in the previous financial year.

As per the Consolidated Accounts, the net profit after tax for the financial year 2020-21 is Rs. 2977.74 Lakhs as against the profit of Rs. 1805.27 Lakhs in the previous financial year.

**EMERGENCE OF COVID-19**

Towards the end of the financial year, the World Health Organization (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide. With the Covid-19 pandemic impacting people across the globe, socially and economically, your Company also witnessed severe disruption in its operations, which tapered the annual performance of your Company. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focused on controlling the fixed costs, maintaining liquidity and closely monitoring to ensure that the operation back on track.

The Company operates its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees at branch offices and the head office. The employees were allowed to work from home by providing adequate digital and other assistance. The Company observed all the government advisories and guidelines thoroughly and in good faith.

**DIVIDEND**

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

**RESERVES**

Our Company has in accordance with the provisions of Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, created a Reserve Fund and during the year under review the Company has transferred an amount of Rs. (9.88 )Lakhs out of the profits of the year to the said Reserve Fund.

**INFORMATION ON STATE OF AFFAIRS OF THE COMPANY**

Information on State of Affairs of the Company are given in the Management Discussion and Analysis Report in accordance with Regulation 34(3) and Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015 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. The 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 at [www.avonmorecapital.in](http://www.avonmorecapital.in).

**CASH FLOW STATEMENT**

In conformity with the provisions of Listing Regulations, the Cash Flow Statement for the year ended March 31, 2021 is annexed hereto.

**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, 2021 and August 13, 2021, being the date of this 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

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all the requirements prescribed by the Reserve Bank of India as applicable to it.

### **SHARE CAPITAL**

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

### **CHANGE IN NATURE OF BUSINESS**

During the year there was no change in the nature of business of the Company.

### **PUBLIC DEPOSITS**

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

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

As on March 31, 2021, your Company has the following entities as its subsidiaries and Associates:

- a. Almondz Infosystem Private Limited
- b. Almondz Global Securities Limited
- c. Red Solutions Private Limited
- d. Apricot Infosoft Private Limited
- e. Avonmore Developers Private Limited
- f. Anemone Holdings Private Limited
- g. Glow Apparels Private Limited
- h. Willis Towers Watson India Insurance Brokers Private Limited (Associate through its subsidiary Anemone Holdings Pvt. Limited )

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a Company's Subsidiary or Subsidiaries, Associate Company or Companies in the prescribed format AOC-1 which form part of the Annual Report as **Annexure-I**.

The financial statement of each of the subsidiaries is put on the company's website and may be accessed at [www.avonmorecapital.in](http://www.avonmorecapital.in)

### **MATERIAL SUBSIDIARY**

Almondz Global Securities Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy was revised effective from April 1, 2020 in line with the amendments made to the Listing Regulations. The Policy has been uploaded on the Company's website at [http://www.avonmorecapital.in/pdf/material\\_policy.pdf](http://www.avonmorecapital.in/pdf/material_policy.pdf).

### **PERFORMANCE OF SUBSIDIARIES COMPANIES**

#### **Almondz Global Securities Limited**

Almondz Global Securities Limited (AGSL) is a SEBI Permanent registered Merchant Banking entity. It has been a leading advisory and consultancy firm since 1994 which offers a bouquet of services in the Strategic Advisory, Transaction Advisory, Business Transformation Advisory, Turnaround and restructuring, Risk advisory, Insolvency activities, Capital raising advisory both in Equity and Debt markets, Valuation services for Financial assets,

Wealth management advisory and Equity broking. Almondz Global Securities Limited has floated different subsidiary and associate entities to serve the operational purpose of the group.

For more details, please visit Website: <http://www.almondzglobal.com>

The revenue of the Company for the financial year 2020-2021 is Rs. 3137.66 lakhs as compared to Rs. 3003.66 lakhs in the previous financial year. During the year under review, the net profit after tax for the financial year 2020-21 is Rs. 368.67 lakhs as compared to Rs.29.51 lakhs in the previous financial year.

The total income on consolidated basis is Rs. 6583.82 lakhs as against 6442.32 Lakhs during the previous financial year ended March 31, 2020. The net profit after tax on consolidated basis stood at Rs. 1847.16 lakhs as compared to Rs. 452.48 lakhs during the previous financial year ended March 31, 2020 on consolidated basis.

#### **Avonmore Developers Private Limited**

The Company is involved in computer related activities [for example maintenance of websites of other firms/ creation of multimedia presentations for other firms etc.]

The revenue of the Company for the financial year 2020-21 is Rs. 0.085 lakhs as compared to Rs. 0.36 lakhs in the previous financial year. During the year under review, the net loss for the financial year 2020-21 is Rs. 0.003 lakhs as against loss of Rs. 0.26 lakhs in previous Year.

#### **Glow Apparels Private Limited**

The Company is involved in manufacture of wearing apparel except fur apparel.

The revenue of the Company for the financial year 2020-2021 is NIL as compared to NIL in the previous financial year. During the year under review, the Company has incurred loss of Rs. 0.55 Lakhs as against loss of Rs. 0.76 lakhs in previous Year.

#### **Apricot Infosoft Private Limited**

The Company is involved in computer related activities like maintenance of websites, creation of multimedia presentations for other firms.

The revenue of the Company for the financial year 2020-2021 is Rs.3.06 lakhs as compared to Rs. 3.01 Lakhs in the Previous Financial Year. During the year under review, the Company has incurred loss of Rs. 0.41 lakhs as against loss of Rs. 0.14 lakhs in previous Year.

#### **Anemone Holdings Private Limited**

The Company is involved in activities auxiliary to financial intermediation, except insurance and pension funding. [This Group includes activities involved in or closely related to financial inter-mediation other than insurance and pension funding but not themselves involving financial inter-mediation]

The revenue of the Company for the financial year 2020-2021 is Rs. 380.79 lakhs as compared to Rs. 591.49 Lakhs in the previous financial year. During the year under review, the net profit for the financial year 2020-21 is Rs. 275.62 lakhs as compared to Rs. 584.42 lakhs in previous Year.

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### **Almondz Infosystem Private Limited**

The Company is involved in software publishing, consultancy and supply [Software publishing includes production, supply and documentation of ready-made (non-customized) software, operating systems software, business & other applications software, computer games software for all platforms.

The revenue of the Company for the financial year 2020-2021 is Rs. 0.31 lakhs as compared to Rs.0.32 lakhs in the previous financial year. During the year under review, the net profit for the financial year 2020-21 is Rs.0.22 Lakhs as against Rs.0.13 lakhs in previous Year.

### **Red solutions Private Limited**

The Company is involved in sale and leasing of shops, showrooms, restaurants etc.

The revenue of the Company for the financial year 2020-2021 is Rs NIL as compared to NIL in the previous financial year. During the year under review, the Company has incurred loss of Rs. 57.00 lakhs as against loss of Rs. 27.87 lakhs in previous Year.

### **Willis Towers Watson India Insurance Brokers Private Limited (Associate through its subsidiary Anemone Holdings Pvt. Limited)**

Willis Tower Watson India Insurance Brokers Private Ltd. (formerly Almondz Insurance Brokers Private Ltd.) is licensed by IRDA to act as an Insurance Broker and is also a member of the Insurance Brokers Association of India. With 9 offices and over 300 associates present across India, the Company is ideally positioned to deliver insurance and risk solutions to its clients. Over the years, the Company has served clients across all industries ranging from airlines to infrastructure, information technology, energy, telecom and manufacturing.

The company is a joint venture with Willis Towers Watson (WTW), a leading global advisory, broking and solutions company. WTW is one of the largest insurance broking company in the World. WTW acquired 49% stake in the company pursuant to the relaxation in FDI norms in insurance industry by the Government of India. Willis Towers Watson has 40,000 employees serving more than 140 countries. This combination enhances Willis Towers Watson's capability in India to provide a full complement of advice, analytics, specialty capabilities and solutions covering benefits, brokerage and advisory.

For more details, please visit Website:  
<https://www.wtwindiainsurancebrokers.com>

Avonmore Capital holds 26 % in this insurance broking company through its wholly owned subsidiary namely, Anemone Holdings Private Limited.

During the year under review, the revenue of the Company for the financial year 2020-21 is Rs. 13,006 lakhs as compared to Rs. 12,390 Lakhs in the previous financial year. During the year under review, the net profit after tax for the financial year 2020-21 is Rs. 3218 lakhs as against profit of Rs. 2,835 lakhs in previous Year.

The total income on consolidated basis is Rs. 13,088 as against 12,483 Lakhs during the previous financial year ended March 31, 2020, The net profit on consolidated basis stood at Rs. 3,262 Lakhs as compared to Rs. 2,893 lakhs during the previous financial year ended March 31, 2020 on consolidated basis.

### **SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Directors**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Ashu Gupta is liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible has offered herself for her re-appointment. Your Board of Directors on the recommendations of Nomination & Remuneration Committee has recommended her re-appointment.

Your Board based on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Ashok Kumar Gupta for a term of 5 years i.e. from December 31, 2021 to December 30, 2026.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. In the opinion of the Board, all Independent Directors are independent of the management.

#### **Key Managerial Personnel**

The following are the Key Managerial Personnel of the Company:

Mr. Ashok Kumar Gupta: Managing Director.  
Ms. Shilpa Bhatia: Company Secretary and Compliance Officer  
Mr. Shakti Singh: Chief Financial Officer

### **MEETINGS OF THE BOARD**

During the year 4 (Four) meetings of the Board of Directors were held i.e. July 30, 2020, September 15, 2020, November 13, 2020 and February 13, 2021.

For further details, please refer report on Corporate Governance forming part of the Annual Report.

### **AUDIT COMMITTEE**

As on 31<sup>st</sup> March, 2021, The Audit Committee comprises of two Independent Directors and one Non-Executive Director viz., Mr. Ajay Kumar (Chairman), Mr. Govind Prasad Agrawal and Mr. Shyam Sunder Lal Gupta as other members. More details on the Audit Committee are given in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

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### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **LISTING**

The Company is listed with Bombay Stock Exchange Ltd.

The shares of the Company were listed on Delhi Stock Exchange Ltd. (DSE), DSE House, 3/1, Asaf Ali Road, New Delhi 110002. However, SEBI vide its order No.WTM/PS/45/MRD/DSA/NOV/2014 dated 19 November 2014 withdrew the recognition granted to the said stock exchange.

The Listing fees to the stock exchange for FY 2021-22 have been paid.

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

#### **STATUTORY AUDITORS:**

In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting held on 28<sup>th</sup> September, 2017, M/s Mohan Gupta & Company, Chartered Accountants (Firm Registration No. 006519N), were appointed as the statutory auditors of the Company, in place of retiring auditors M/s H. K. Chhabra & Co., Chartered Accountants for a term of five (5) years from the conclusion of the 25<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment by the members at every Annual General Meeting held during their tenure of appointment, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company on the recommendation of the Audit Committee from time to time.

The requirements to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated 7<sup>th</sup> May, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is

proposed for ratification of appointment of Auditors in ensuing AGM of the Company.

The Company has received a letter from M/s Mohan Gupta & Company, Chartered Accountants confirming that they are eligible for continuing as Statutory Auditors of the Company.

Further, the report of the Statutory Auditors along with notes to Schedules for the year ended 31<sup>st</sup> March, 2021 forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **SECRETARIAL AUDITORS:**

In terms of section 204 of the Companies Act, 2013 and Rules framed thereunder and on the recommendation of the Audit Committee, the Board had appointed M/s NPS & Associates, Company Secretaries in Wholtime Practice, as the Secretarial Auditors of the Company for the financial year 2020-21. Later on, M/s NPS & associates resigned as the secretarial auditors w.e.f 01.06.2021. The Board had at their meeting held on 28.06.2021 appointed M/s Neeraj Gupta & Associates, Company Secretaries for the financial year 2020-21. The Secretarial audit report as provided by M/s Neeraj Gupta & Associates., Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as **Annexure-II**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **REPORTING OF FRAUDS BY AUDITORS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

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

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

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

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

#### **PARTICULARS OF EMPLOYEES**

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

#### **CORPORATE GOVERNANCE**

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

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### **GROUP COMING WITHIN THE DEFINITION OF GROUPS DEFINED IN THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969 (54 of 1969)**

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

Mr. Navjeet Singh Sobti  
Mrs. Gurpreet N. S. Sobti  
Innovative Money Matters Private Limited  
Almondz Global Securities Limited  
Rakam Infrastructures Private Limited

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

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

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

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

### **EXTRACTS OF ANNUAL RETURN**

An extracts of Annual Return as prescribed under Section 92 (3) of the Companies Act, 2013 ('the Act') and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT-9 as on 31<sup>st</sup> March, 2021 is attached as **Annexure-IV** and is also available on the website of the Company at the weblink <http://avonmorecapital.in/financials.html>. Further, pursuant to Section 134(3)(a) of the Act, a copy of Annual Return for the year ended 31<sup>st</sup> March, 2021 will be hosted on the website of the company at [www.avonmorecapital.in](http://www.avonmorecapital.in).

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

With reference to Section 134(3)(h) of the Companies Act, 2013 All contracts /arrangements / transactions entered by the Company with related parties under Section 188(1) of the Act during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

No material Related Party Transactions were entered during the financial year by the Company. Accordingly, the disclosure of Related Party Transactions, as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company and hence not provided.

During the year 2020-21, pursuant to section 177 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. All RPTs were placed before Audit Committee for its prior/ omnibus approval.

Further details of Related Party transactions as required to be disclosed by Accounting Standard 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.

The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link [http://avonmorecapital.in/pdf/transactions\\_policy.pdf](http://avonmorecapital.in/pdf/transactions_policy.pdf)

### **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.

### **POLICY ON INSIDER TRADING**

Your Company formulated and implemented a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company has adopted code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in terms of new Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Board of Directors appointed the Company Secretary, as the Compliance Officer under the said Code responsible for complying with the procedures, monitoring adherence to the Code for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board of Directors. The Code is available on the website of the Company at [www.avonmorecapital.in](http://www.avonmorecapital.in)

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021.

In line with the said amendments, the Board of directors has amended the existing policy. The policy including the composition of the CSR committee is uploaded on the Company's website [www.avonmorecapital.in](http://www.avonmorecapital.in)

The Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2021.

The CSR Policy may be accessed on the Company's website at the link: <http://avonmorecapital.in/pdf/CSR%20Amended%20Policy-ACMS-01.04.2021.pdf>

The key philosophy of the Company's CSR initiative is to promote development through social and economic transformation.

The Company has, inter-alia, identified following areas in which it may engage for its CSR activities:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

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- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependants.
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.
- Such other matters as may be prescribed under applicable statute;
- Such other activity / social cause as may be thought fit by the CSR Committee and approved by the Board.

During the year under review, the Company has spent Rs. 2.55 Lakhs on CSR activities. The Annual Report on CSR activities is annexed herewith marked as **Annexure V**.

### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans given, Investments made, guarantees given and securities provided to other Bodies Corporate or persons as covered under the provisions of Section 186 of the Act are given in the Standalone Financial Statements.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, 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.

### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015 the Board has carried out an annual performance evaluation of its own performance, the individual Director's performance including Chairman and Independent Directors as well as an evaluation of

the working of all Board Committees.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In compliance with the provisions of the Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirements), 2015, the Independent Directors held a meeting on June 28, 2021 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**

The Company believes that the quality of employees is the key to its success. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements.

Considering the health and safety of employees and advisories, orders and directions issued by State and Central Governments to restrict the novel coronavirus, the Company implemented a work from home policy to ensure employee safety. The HR department of the Company was continuously in touch with employees to guide and solve problems. It created awareness regarding COVID-19 and educated employees about precautions.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

### **INTERNAL CONTROL SYSTEMS**

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

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

for determining qualification positive attributes independence of a Director and other matters. The Remuneration policy for directors, Key Managerial Personnel, Senior Management 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. The said policy is uploaded on the website of the Company at [www.avonmorecapital.in](http://www.avonmorecapital.in)

### **INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

A policy on Prevention of Sexual Harassment of Women on working place and the scope of which cover the whole group has been formulated and implemented. An Internal Complaints Committee has been constituted to redress the complaints regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year:

- a. Number of complaints pending at the beginning of the year: Nil
- b. Number of complaints received during the year: Nil
- c. Number of complaints disposed off during the year: Nil
- d. Number of cases pending at the end of the year: Nil

### **Maintenance of cost Records**

During the period under review, the provision of section 148 of the companies Act, 2013 relating to maintenance of cost records does not applicable to the Company.

### **DISCLOSURE**

As per the SEBI (LODR) Regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report. Details of the familiarization programme of the Independent Directors are available on the website of the Company ([www.avonmorecapital.in](http://www.avonmorecapital.in)). Policy for determining material subsidiaries of the Company is available on the website of the Company ([www.avonmorecapital.in](http://www.avonmorecapital.in)). Policy on dealing with related party transactions is available on the website of the Company ([www.avonmorecapital.in](http://www.avonmorecapital.in)). The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the SEBI (LODR) Regulations.

### **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. The Board of 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  
For Avonmore Capital & Management Services Limited**

<b>Ashok Kumar Gupta</b>	<b>Govind Prasad Agrawal</b>
<b>Managing Director</b>	<b>Director</b>
<b>DIN: 02590928</b>	<b>DIN: 00008429</b>

**Place: New Delhi  
Date: August 13, 2021**

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Annexure-I**

**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/ / joint ventures  
Part A: "Subsidiaries"**

**(Amount in Lakhs)**

S. No.	1	2	3	4	5	6	7
Name of the subsidiary	<b>Almondz Infosystem Private Limited</b>	<b>Red Solutions Private Limited</b>	<b>Almondz Global Securities Limited</b>	<b>Avonmore Developers Private Limited</b>	<b>Glow Apparels Private Limited</b>	<b>Apricot Infosoft Private Limited</b>	<b>Anemone Holdings Private Limited</b>
Date since when Subsidiary was acquired	31.12.2012	17.07.2015	01.04.2015	23.07.2014	23.02.2015	10.06.2014	21.02.2015
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period	Not applicable since same accounting period
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						
Share capital	5.00	5.00	1553.10	850.00	277.50	300.00	1.00
Reserve & surplus	0.65	494.55	11412.46	(8.60)	(10.66)	(7.85)	922.40
Total assets	6.02	2828.40	16469.41	841.53	266.94	322.26	4183.61
Total Liabilities	0.37	2328.87	3493.84	0.14	0.10	30.11	3260.21
Investments	-	994.47	9689.84	742.65	263.76	195.00	3702.57
Turnover	0.31	-	3137.66	0.085	-	3.06	380.79
Profit before taxation	0.27	(67.24)	505.94	(0.003)	(0.73)	(0.41)	371.48
Provision for taxation	0.05	(10.22)	137.27	0	(0.18)	-	95.85
Profit after taxation	0.22	(57.01)	368.67	(0.003)	(0.55)	(0.41)	275.63
Other Comprehensive income (Loss) (net of tax)	-	-	12.04	-	-	-	-
<b>Total Comprehensive Income</b>			380.71				
Proposed Dividend	-	-	-	-	-	-	-
% of Shareholding	100	100	56.87	100	100	100	100

**Note: 1 Name of Subsidiaries which are yet to commence operation: NIL**

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

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Annexure-I**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures  
Part B: "Associate and Joint Ventures"**

**(Amount in Lakhs)**

<b>S. No.</b>	1
<b>Name of Associate</b>	<b>Willis Towers Watson India Insurance Brokers Private Limited</b>
Latest audited Balance Sheet Date	31.03.2021
Date on which the Associate was associated or acquired	06.07.2017
Shares of Associates held by the company on the year end (Nos.)	14,04,000
Amount of investment in Associates	3,171.75
Extend of Holding (%)	26
Description of Significant influence	Indirect Holding
Reason for no consolidation of associates	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	1976
Profit / Loss for the year	
i. Considered in Consolidation	848.9
ii. Not Considered in Consolidation	2416.1

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

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

**Shilpa Bhatia  
Company Secretary  
(ACS: A49386)**

**Shakti Singh  
Chief Financial Officer  
(PAN: BKMP56127D)**

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

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

**Place: New Delhi  
Date: August 13, 2021**

**Form MR - 3**

**SECRETARIAL AUDIT REPORT**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

To

**The Members**

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**CIN: L67190DL1991PLC045857**

**F-33/3, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020**

Dear Sirs,

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate governance practices by **AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period).
- (vi) Other Laws specific applicable:
  - a) Bye-laws, Rules, Regulations, Guidelines, Circulars & Notifications issued by SEBI, Stock Exchanges & Depositories and applicable to Depository Participant & Registered Broker

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI (LODR), 2015").
- (iii) All the Rules, regulations, Guidelines, Circulars/ Master Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### We further report that:

The Board of Directors of the Company is duly constituted and the Company only has Non-Executive Directors and Independent Directors in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Except in case of meetings convened at a shorter notice, adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda was sent at least seven days in advance. However, 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.

As per the minutes of the meetings, the decisions of the Board were taken with requisite majority.

Based on the compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the company secretary and taken on record by the Board of Directors at the meeting(s), we are of the opinion that the management has 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 was no specific event/ action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For NEERAJ GUPTA & ASSOCIATES  
COMPANY SECRETARIES**

**Place: New Delhi  
Date: 13/08/2021  
UDIN : F005720C000776930**

**Neeraj Gupta  
Prop.  
M.NO. F5720, C.P.NO. 4006**

*Note: This report should be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.*

**Annexures**

**To  
The Members  
AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED  
CIN: L67190DL1991PLC045857  
F-33/3, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020**

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

1. Maintenance of Secretarial record is the responsibility of the management of **AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to COVID-19 pandemic and Nation- wide lockdown to contain the spread of Corona Virus, work place/ offices remained closed or working with less staff. In view of advisory issued by Government, no physical visits to the office of auditee could be made and as such physical copies of the secretarial records could not be verified. Reliance has been placed on the soft copy of necessary secretarial records /documents etc. made available to us. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.

**For NEERAJ GUPTA & ASSOCIATES  
COMPANY SECRETARIES**

**Place: New Delhi  
Date: 13/08/2021  
UDIN : F005720C000776930**

**Neeraj Gupta  
Prop.  
M.NO. F5720, C.P.NO. 4006**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the financial year ended 31<sup>st</sup> March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

To,  
The Members,  
**ALMONDZ GLOBAL SECURITIES LIMITED**  
Regd. Office: F-33/3, Okhla Industrial Area Phase-II,  
New Delhi-110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ALMONDZ GLOBAL SECURITIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021** ('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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period).
- (vi) Other Laws specific applicable:
  - a) Bye-laws, Rules, Regulations, Guidelines, Circulars & Notifications issued by SEBI, Stock Exchanges & Depositories and applicable to Depository Participant & Registered Broker

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI (LODR), 2015").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable except that the Company had submitted the voting results for the Court Convened Meeting after the time prescribed under Regulation 44(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, NSE & BSE have imposed a fine of Rs. 10,000/- each and the Company deposited the same.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### We further report that

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

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

Decisions at the Board or Committee Meetings were carried out unanimously except in such case where dissent of Director(s) was recorded specifically.

Based on the compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the company secretary and taken on record by the Board of Directors at the meeting(s), we are of the opinion that the management has 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.

We further report that during the audit period, there was no specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place: New Delhi  
Date: 09.08.2021

**Ashu Gupta**  
Company Secretary in Practice  
FCS No. 4123  
CP No.: 6646

**UDIN:** F004123C000758679

**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

To,  
The Members,  
**ALMONDZ GLOBAL SECURITIES LIMITED**  
Regd. Office: F-33/3, Okhla Industrial Area Phase-II,  
New Delhi-110020

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory audit and other designated professionals.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. Due to COVID-19 pandemic and Nation- wide lockdown to contain the spread of Corona Virus, work place/ offices remained closed or working with less staff. In view of advisory issued by Government, no physical visits to the office of auditee could be made and as such physical copies of the secretarial records could not be verified. Reliance has been placed on the soft copy of necessary secretarial records /documents etc. made available to us. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.
7. 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: 09.08.2021  
**UDIN:** F004123C000758679

**Ashu Gupta**  
Company Secretary in Practice  
FCS No. 4123  
CP No.: 6646

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Avonmore Capital & Management Services Limited having CIN-L67190DL1991PLC045857 and having registered office at F-33/3, Okhla Industrial Area, Phase – II, New Delhi – 110020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C sub clause - 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal, as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate 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.

**For Neeraj Gupta & Associates**  
**Company Secretaries**

Place: New Delhi  
Date: 13/08/2021

**(Neeraj Gupta)**  
**Prop.**  
M.No. F 5720, C.P. No. 4006  
UDIN : **F005720C000776941**

**THE INFORMATION REQUIRED UNDER SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

**Disclosure under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

a. The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year 2020-21:

Executive Directors	Ratio to median remuneration
Mr. Ashok Kumar Gupta	3.17 times

b. The percentage increase in remuneration of Executive Director, Chief Financial Officer & Company Secretary in the Financial Year 2020-21:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Designation	% increase in remuneration in the financial year
Mr. Ashok Kumar Gupta	Managing Director	NIL
Ms. Shilpa Bhatia	Company Secretary	NIL
Mr. Shakti Singh	Chief Financial Officer	NIL

c. The percentage increase in the median remuneration of employees in the financial year 2020-21:

There is no increase in the median remuneration of employees in the financial year 2020-21 whereas the median remuneration of employees is decreased by 25.99% (Refer Note No.1)

d. The number of permanent employees on the rolls of Company: 10

e. 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:

The average percentile of the salaries of employees other than the managerial personnel in the financial year, i.e., 2020-21 was increased by 62% (Refer Note No.2) whereas the percentile increase in the managerial remuneration for the financial year 2020-21 is (-31.25%) (Refer Note No.3)

f. The key parameters for any variable component of remuneration availed by the directors:

The broad factors and guidelines considered for the variable remuneration availed by the directors:

- Annual Performance Review of the Directors; and
- Financial outcomes and profitability of the Company and the group

g. 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.

Note:

- The percentage is calculated on the median remuneration of employees as on 31.03.2021 and 31.03.2020 (on the monthly remuneration of march) and No of employees excludes remuneration of Director.
- Average percentile increase in salaries has been considered on annual basis. Due to increase in number of employees in the financial year 2020-21 the average percentile has been increased as compared to previous year 2019-2020 whereas no increment has been made in the individual salary of the employees during the financial year under review.
- During the financial year 2020-21 68.75% remuneration was paid to managerial personnel due to pandemic situation.

**Disclosure under Rule 5(2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

a. Details of top ten employees of the Company in terms of remuneration drawn during 2020-21:

Details of top ten employees of the Company in terms of remuneration drawn during 2020-21 will be provided on request. As per the provisions of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members and others entitled thereto excluding the said information of top ten employees. The said details of top ten employees will be available for inspection by the members at the Registered Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

b. There was no employee in the Company who was in receipt of remuneration for the year 2020-21

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakhs Rupees;
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month;

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

Ashok Kumar Gupta  
Managing Director  
DIN: 02590928

Govind Prasad Agrawal  
Director  
DIN: 00008429

Place: New Delhi  
Date: August,13 2021

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2021**

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 43500700/800 E-mail: <a href="mailto:secretarial@almondz.com">secretarial@almondz.com</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>M/s Beetal Financial &amp; Computer Services (P) Limited</b> "Beetal House", 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110062 Tel: +91 11 29961 281-82, Fax: 011-29961280/84 E-mail: <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.	Financing Activity	649	98.93

**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 F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020	U72200DL2012PTC246813	Subsidiary	100	2(87)
2.	Almondz Global Securities Limited F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110 020	L74899DL1994PLC059839	Subsidiary	56.87	2(87)
3.	Red Solutions Private Limited F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020	U74999DL2012PTC240027	Subsidiary	100	2(87)
4.	Apricot Infosoft Private Limited F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020	U72900DL2014PTC266689	Subsidiary	100	2(87)
5.	Avonmore Developers Private Limited F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020	U70200DL2013PTC253548	Subsidiary	100	2(87)
6.	Anemone Holdings Private Limited F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020	U67190DL2014PTC268993	Subsidiary	100	2(87)
7.	Glow Apparels Private Limited F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020	U18109DL2012PTC230469	Subsidiary	100	2(87)
8.	Willis Towers Watson India Insurance Brokers Private Limited (formerly known as Almondz Insurance Brokers Private Limited) 26% shares held by Anemone Holdings Private Limited 2nd Floor, Sucheta Bhawan, 11-A, Vishnu Digamber Marg, Rouse Avenue Lane, New Delhi -110002	U74999DL2003PTC119593	Associate (through subsidiary)	-	2(6)

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2020]				No. of Shares held at the end of the year [As on March 31, 2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2081315	0	2081315	8.58	2081315	0	2081315	8.58	0
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.	11593297	0	11593297	47.76	12727576	0	12727576	52.44	+4.68
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>13674612</b>	<b>0</b>	<b>13674612</b>	<b>56.34</b>	<b>14808891</b>	<b>0</b>	<b>14808891</b>	<b>61.02</b>	<b>+4.68</b>
<b>(2) Foreign</b>									
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
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A) (1)+(A) (2)</b>	<b>13674612</b>	<b>0</b>	<b>13674612</b>	<b>56.34</b>	<b>14808891</b>	<b>0</b>	<b>14808891</b>	<b>61.02</b>	<b>+4.68</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	31	2600	2631	0.01	0	2600	2600	0.01	0
c) Foreign Portfolio Investors	3531	0	3531	0.01	0	0	0	0	-0.01
d) Central Govt	0	0	0	0	0	0	0	0	0
e) State Govt(s)	0	0	0	0	0	0	0	0	0
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) FIs	0	0	0	0	0	0	0	0	0
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>3562</b>	<b>2600</b>	<b>6162</b>	<b>0.02</b>	<b>0</b>	<b>2600</b>	<b>2600</b>	<b>0.01</b>	<b>-0.02</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	4702604	6901	4709505	19.40	3539625	6901	3546526	14.61	-4.79
ii) Overseas	0	0	0	0	0	0	0	0	
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2465793	158122	2623915	10.81	2232990	158122	2391112	9.85	-0.96
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2611525	21600	2633125	10.85	2753168	21600	2774768	11.43	+0.58

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2020]				No. of Shares held at the end of the year [As on March 31, 2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others (specify)</b>									
<b>Non Resident Indians</b>	358671	47500	406171	1.67	503320	47500	550820	2.27	+0.6
<b>HUF</b>	211926	0	211926	0.87	171330	0	171330	0.71	-0.16
<b>Clearing Members</b>	5484	0	5484	0.02	24853	0	24853	0.10	+0.08
<b>Sub-total (B)(2):-</b>	<b>10356003</b>	<b>234123</b>	<b>10590126</b>	<b>43.63</b>	<b>9225286</b>	<b>234123</b>	<b>9459409</b>	<b>38.97</b>	<b>-4.66</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10359565</b>	<b>236723</b>	<b>10596288</b>	<b>43.66</b>	<b>9225286</b>	<b>236723</b>	<b>9462009</b>	<b>38.98</b>	<b>-4.68</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>24029372</b>	<b>241528</b>	<b>24270900</b>	<b>100</b>	<b>24034177</b>	<b>236723</b>	<b>24270900</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoter (including Promoter Group):**

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 to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Innovative Money Matters Private Limited	90,53,010	37.30	0	90,53,010	37.30	0	0
2.	Gurpreet N.S. Sobti	5,000	0.02	0	5,000	0.02	0	0
3.	Navjeet Singh Sobti	20,76,315	8.55	0	20,76,315	8.55	0	0
4.	Rakam Infrastructures Pvt. Ltd.	25,40,287	10.47	0	36,74,566	15.14	0	+4.67

**(iii) Change in Promoter's (including promoter group) Shareholding:**

S. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year March 31, 2021	
		No. of Shares at the beginning	% of total shares of the Co.				No. of Shares	% of total shares of the Co.
1.	Innovative Money Matters Private Limited	90,53,010	37.30	01-04-2020	N.A.	N.A.	90,53,010	37.30
				31-03-2021	N.A.	N.A.	90,53,010	37.30
2.	Gurpreet N.S. Sobti	5,000	0.02	01-04-2020	N.A.	N.A.	5,000	0.02
				31-03-2021	N.A.	N.A.	5,000	0.02
3.	Navjeet Singh Sobti	20,76,315	8.56	01-04-2020	N.A.	N.A.	20,76,315	8.56
				31-03-2021	N.A.	N.A.	20,76,315	8.56
4.	Rakam Infrastructures Private Limited	25,40,287	10.47	01-04-2020	N.A.	N.A.	25,40,287	10.47
				18-09-2020	56,300	Purchase	25,96,587	10.69
				21-09-2020	50,759	Purchase	26,47,346	10.90
				21-09-2020	2	Sale	26,47,344	10.90
				22-09-2020	20,127	Purchase	26,67,471	10.99
				23-09-2020	51,605	Purchase	27,19,076	11.20
				24-09-2020	37,301	Purchase	27,56,377	11.35
				25-09-2020	20,000	Purchase	27,76,377	11.43
				18-11-2020	34,301	Purchase	28,10,678	11.58
				19-11-2020	22,956	Purchase	28,33,634	11.67
				20-11-2020	15,100	Purchase	28,48,734	11.73
				23-11-2020	24,002	Purchase	28,72,736	11.83
				24-11-2020	34,749	Purchase	29,07,485	11.97
				25-11-2020	30,000	Purchase	29,37,485	12.10
				26-11-2020	28,567	Purchase	29,66,052	12.22
		27-11-2020	20,408	Purchase	29,86,460	12.30		
		01-12-2020	19,300	Purchase	30,05,760	12.38		
		02-12-2020	31,191	Purchase	30,36,951	12.51		
		03-12-2020	23,102	Purchase	30,60,053	12.60		
		04-12-2020	30,469	Purchase	30,90,522	12.73		

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

S. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year March 31, 2021	
		No. of Shares at the beginning	% of total shares of the Co.				No. of Shares	% of total shares of the Co.
				07-12-2020	30,000	Purchase	31,20,522	12.85
				09-12-2020	34,000	Purchase	31,54,522	12.99
				10-12-2020	30,100	Purchase	31,84,622	13.12
				14-12-2020	23,000	Purchase	32,07,622	13.21
				15-12-2020	30,000	Purchase	32,37,622	13.33
				16-12-2020	35,000	Purchase	32,72,622	13.48
				17-12-2020	16,000	Purchase	32,88,622	13.54
				18-12-2020	17,000	Purchase	33,05,622	13.61
				21-12-2020	10,000	Purchase	33,15,622	13.66
				22-12-2020	20,000	Purchase	33,35,622	13.74
				23-12-2020	29,000	Purchase	33,64,622	13.86
				24-12-2020	22,000	Purchase	33,86,622	13.95
				28-12-2020	30,000	Purchase	34,16,622	14.07
				29-12-2020	15,500	Purchase	34,32,122	14.14
				30-12-2020	20,000	Purchase	34,52,122	14.22
				16-02-2021	24,550	Purchase	34,76,672	14.32
				17-02-2021	25,341	Purchase	35,02,013	14.42
				18-02-2021	14,768	Purchase	35,16,781	14.48
				19-02-2021	4,510	Purchase	35,21,291	14.5
				24-02-2021	15,000	Purchase	35,36,291	14.57
				25-02-2021	10,000	Purchase	35,46,291	14.61
				26-02-2021	5,000	Purchase	35,51,291	14.63
				01-03-2021	10,000	Purchase	35,61,291	14.67
				04-03-2021	15,000	Purchase	35,76,291	14.73
				05-03-2021	8,275	Purchase	35,84,566	14.76
				10-03-2021	15,000	Purchase	35,99,566	14.83
				12-03-2021	10,000	Purchase	36,09,566	14.87
				18-03-2021	15,000	Purchase	36,24,566	14.93
				19-03-2021	10,000	Purchase	36,34,566	14.97
				22-03-2021	2,000	Purchase	36,36,566	14.98
				23-03-2021	15,000	Purchase	36,51,566	15.05
				24-03-2021	5,000	Purchase	36,56,566	15.07
				25-03-2021	8,000	Purchase	36,64,566	15.10
				26-03-2021	10,000	Purchase	36,74,566	15.14
				<b>31-03-2021</b>	<b>N.A.</b>	<b>N.A.</b>	<b>36,74,566</b>	<b>15.14</b>

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

Sl. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year March 31, 2021	
		No. of Shares at the beginning	% of total shares of the Company				No. of Share	% of total shares of the Company
1.	KKM Enterprises Pvt Ltd	10,66,190	4.39	01-April-20	N.A.	N.A.	10,66,190	4.39
				22-May-20	-10,000	Sale	10,56,190	4.35
				01-Jan-21	-5,000	Sale	10,51,190	4.33
				19-Feb-21	-2,000	Sale	10,49,190	4.32
				05-Mar-21	-25,000	Sale	10,24,190	4.22
				12-Mar-21	-25,124	Sale	9,99,066	4.11
				<b>31-Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>9,99,066</b>	<b>4.11</b>
2.	Ramble Markets Private Limited	9,66,800	3.98	01-April-20	N.A.	N.A.	9,66,800	3.98
				19-Feb-21	-3,000	Sale	9,63,800	3.97
				26-Mar-21	-2,500	Sale	9,61,300	3.96
				<b>31-Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>9,61,300</b>	<b>3.96</b>
3	Veena Gases & Chemicals Private Limited	11,13,217	4.59	01-April-20	N.A.	N.A.	11,13,217	4.59
				22-May-20	8,050	Purchase	11,21,267	4.62
				29-May-20	1,950	Purchase	11,23,217	4.63
				27-Nov-20	-64,518	Sale	10,58,699	4.36
				04-Dec-20	-1,07,013	Sale	9,51,686	3.92
				11-Dec-20	-94,301	Sale	8,57,385	3.53
				18-Dec-20	-1,05,630	Sale	7,51,755	3.10
				<b>31-Mar- 21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>7,51,755</b>	<b>3.10</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Sl. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year March 31, 2021	
		No. of Shares at the beginning	% of total shares of the Company				No. of Share	% of total shares of the Company
4	DILIP KUMAR LAKHI	5,36,263	2.21	01-April-20	N.A.	N.A.	5,36,263	2.21
					NIL Movement during the year			
				<b>31-Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>5,36,263</b>	<b>2.21</b>
5.	Parmeet Kaur	4,95,874	2.04	01-April-20	N.A.	N.A.	4,95,874	2.04
				04-Dec-20	-12,030	Sale	4,83,844	1.99
				11-Dec-20	-4,535	Sale	4,79,309	1.97
				18-Dec-20	-9,891	Sale	4,69,418	1.93
				25-Dec-20	-14,418	Sale	4,55,000	1.88
				01-Jan-21	-8,505	Sale	4,46,495	1.84
				19-Feb-21	-20,000	Sale	4,26,495	1.75
				26-Feb-21	-20,306	Sale	4,06,189	1.67
				05-Mar-21	-8,190	Sale	3,97,999	1.64
				26-Mar-21	-4,000	Sale	3,93,999	1.62
				31-Mar-21	-2	Sale	3,93,997	1.62
		<b>31-Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>3,93,997</b>	<b>1.62</b>		
6.	Mahendra Ramniklal Kanakiya	89,440	0.37	01-Apr-20	N.A.	N.A.	89440	0.37
				03-Apr-20	244	Purchase	89,684	0.37
				10-Apr-20	2,206	Purchase	91,890	0.38
				17-Apr-20	1,000	Purchase	92,890	0.38
				01-May-20	3,362	Purchase	96,252	0.40
				08-May-20	14,900	Purchase	1,11,152	0.45
				15-May-20	1,060	Purchase	1,12,212	0.46
				22-May-20	1,600	Purchase	1,13,812	0.47
				19-Jun-20	3,441	Purchase	1,17,253	0.48
				26-Jun-20	18,314	Purchase	1,35,567	0.56
				10-Jul-20	-290	Sale	1,35,277	0.56
				31-Jul-20	6,113	Purchase	1,41,390	0.58
				07-Aug-20	731	Purchase	1,42,121	0.58
				14-Aug-20	41,947	Purchase	1,84,068	0.76
				21-Aug-20	2,6879	Purchase	2,10,947	0.87
				28-Aug-20	9,362	Purchase	2,20,309	0.91
				11-Sep-20	7,102	Purchase	2,27,411	0.93
				18-Sep-20	9,745	Purchase	2,37,156	0.98
				20-Nov-20	-1,500	Sale	2,35,656	0.97
		04-Dec-20	-2,000	Sale	2,33,656	0.96		
		18-Dec-20	-532	Sale	2,33,124	0.96		
		<b>31- Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>2,33,124</b>	<b>0.96</b>		
7.	DESIRE RETAIL PRIVATE LIMITED	10,10,000	4.16	01 -Apr-20	N.A.	N.A.	10,10,000	4.16
				18-Sep-20	-56,254	Sale	9,53,746	3.93
				25-Sep-20	-1,81,308	Sale	7,72,438	3.18
				20-Nov-20	-79,577	Sale	6,92,861	2.86
				27-Nov-20	-75,000	Sale	6,17,861	2.55
				18-Dec-20	-20,000	Sale	5,97,861	2.46
				25-Dec-20	-85,460	Sale	5,12,401	2.11
				01-Jan-21	-65,000	Sale	4,47,401	1.84
				08-Jan-21	-14,964	Sale	4,32,437	1.78
				15-Jan-21	-7,304	Sale	4,25,133	1.75
				22-Jan-21	-33,500	Sale	3,91,633	1.61
				19-Feb-21	-70,000	Sale	3,21,633	1.32
				26-Feb-21	-30,000	Sale	2,91,633	1.20
				05-Mar-21	-10,000	Sale	2,81,633	1.16
		19-Mar-21	-25,000	Sale	2,56,633	1.06		
		26-Mar-21	-47,500	Sale	2,09,133	0.86		
		<b>31-Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>2,09,133</b>	<b>0.86</b>		

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Sl. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year March 31, 2021	
		No. of Shares at the beginning	% of total shares of the Company				No. of Share	% of total shares of the Company
8.	First Share Care Limited	49,440	0.20	01- Apr-20	N.A.	N.A.	1,01,000	0.42
				17-Apr-20	-1,500	Sale	47,940	0.20
				01-May-20	3,000	Purchase	50,940	0.21
				05-Jun-20	-500	Sale	50,440	0.21
				12-Jun-20	-2,000	Sale	48,440	0.20
				26-Jun-20	-453	Sale	47,987	0.20
				03-Jul-20	-47	Sale	47,940	0.20
				07-Aug-20	-39,500	Sale	8,440	0.04
				28-Aug-20	38,500	Purchase	46,940	0.19
				09-Oct-20	1,600	Purchase	48,540	0.2
				16-Oct-20	7,400	Purchase	55,940	0.23
				23-Oct-20	4,050	Purchase	59,990	0.25
				30-Oct-20	5,200	Purchase	65,190	0.27
				06-Nov-20	9,250	Purchase	74,440	0.31
				13-Nov-20	2,205	Purchase	76,645	0.32
				20-Nov-20	-500	Sale	76,145	0.31
				04-Dec-20	2,000	Purchase	78,145	0.32
				11-Dec-20	1,500	Purchase	79,645	0.33
				25-Dec-20	1,000	Purchase	80,645	0.33
				01-Jan-21	2,000	Purchase	82,645	0.34
				08-Jan-21	1,000	Purchase	83,645	0.34
				22-Jan-21	3,001	Purchase	86,646	0.35
				29-Jan-21	3,017	Purchase	89,663	0.37
		05-Feb-21	2,000	Purchase	91,663	0.38		
		12-Feb-21	4,000	Purchase	95,663	0.39		
		26-Feb-21	3,142	Purchase	98,805	0.41		
		05-Mar-21	3,500	Purchase	1,02,305	0.42		
		12-Mar-21	1,000	Purchase	1,03,305	0.43		
		19-Mar-21	4,000	Purchase	1,07,305	0.44		
		26-Mar-21	3,000	Purchase	1,10,305	0.45		
		<b>31- Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>1,10,305</b>	<b>0.45</b>		
9	MAHENDRA GIRDHARILAL	1,06,699	0.43	01- Apr-20	N.A.	N.A.	1,06,699	0.44
					NIL Movement during the year			
				<b>31- Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>1,06,699</b>	<b>0.44</b>
10	C R VAIDYA	90,000	0.37	01- Apr-20	N.A.	N.A.	90,000	0.37
				18-Dec-20	11,000	Purchase	1,01,000	0.42
				25-Dec-20	2,740	Purchase	1,03,740	0.43
				<b>31-Mar-21</b>	<b>N.A.</b>	<b>N.A.</b>	<b>1,03,740</b>	<b>0.43</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year March 31, 2021		
		No. of Shares at the beginning	% of total shares of the Co.				No. of Shares	% of total shares of the Co.	
1.	Ashok Kumar Gupta (Managing Director)	0	0	01-04-2020	N.A.	N.A.	0	0	
				NIL Movement during the year					
		0	0	<b>31-03-2021</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>	<b>0</b>	
2.	Ajay Kumar (Independent Director)	0	0	01-04-2020	N.A.	N.A.	0	0	
				NIL Movement during the year					
		0	0	<b>31-03-2021</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>	<b>0</b>	
3.	Govind Prasad Agrawal (Director)	0	0	01-04-2020	N.A.	N.A.	0	0	
				NIL Movement during the year					
		0	0	<b>31-03-2021</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>	<b>0</b>	
4.	Shyam Sunder Lal Gupta (Independent Director)	0	0	01-04-2020	N.A.	N.A.	0	0	
				NIL Movement during the year					
		0	0	<b>31-03-2021</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>	<b>0</b>	
5.	Bhupinder Singh (Independent Director)	0	0	01-04-2020	N.A.	N.A.	0	0	
				NIL Movement during the year					
		0	0	<b>31-03-2021</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>	<b>0</b>	

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

Sl. No.	Name	Shareholding at the beginning of the year April 01, 2020		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year March 31, 2021	
		No. of Shares at the beginning	% of total shares of the Co.				No. of Shares	% of total shares of the Co.
6.	Ashu Gupta (Director)	0	0	01-04-2020	N.A.	N.A.	0	0
		NIL Movement during the year						
		0	0	31-03-2021	N.A.	N.A.	0	0
7.	Shilpa Bhatia (Company Secretary)	0	0	01-04-2020	N.A.	N.A.	0	0
		NIL Movement during the year						
		0	0	31-03-2021	N.A.	N.A.	0	0
8.	Shakti Singh (Chief Financial officer)	0	0	01-04-2020	N.A.	N.A.	0	0
		NIL Movement during the year						
		0	0	31-03-2021	N.A.	N.A.	0	0

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**
**(Amount in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	40.00	0	40.00
ii) Interest due but not paid	0	3.51	0	3.51
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	<b>43.51</b>	0	<b>43.51</b>
Change in Indebtedness during the financial year				
* Addition-Loan	0	958.73	0	958.73
* Reduction-Loan	0	0	0	0
<b>Net Change</b>	0	<b>958.73</b>	0	<b>958.73</b>
Indebtedness at the end of the financial year				
i) Principal Amount	0	962.25	0	962.25
ii) Interest due but not paid	0	39.99	0	39.99
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	<b>1002.24</b>	0	<b>1002.24</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**(Amount in Lakhs)**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Ashok Kumar Gupta (Managing Director)	
1	Gross salary	11.60	11.60
	(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	0	0
	- as % of profit - others, specify...	0	0
5	Others, please specify	0	0
	Total (A)	<b>11.60</b>	<b>11.60</b>
	Ceiling as per the Act		120 Lakh P.A.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### B. Remuneration to other directors

(Amount in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shyam Sunder Lal Gupta	Bhupinder Singh	Ajay Kumar	
1	Independent Directors				
	Fee for attending board/committee meetings	0.81	0.48	0.99	2.28
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.81</b>	<b>0.48</b>	<b>0.99</b>	<b>2.28</b>
2	Other Non-Executive Directors	Govind Prasad Agrawal	Ashu Gupta	-	-
	Fee for attending board/committee meetings	0.96	0.60	-	1.56
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>0.96</b>	<b>0.60</b>	<b>-</b>	<b>1.56</b>
<b>Total (B)=(1+2)</b>		<b>1.77</b>	<b>1.08</b>	<b>0.99</b>	<b>3.84</b>
Total Managerial Remuneration		Total remuneration to Managing Director and other Directors (being the total of A and B) = 15.44			
Overall Ceiling as per the Act		Upto Rs. One Lac per Director for each meeting of Board/Committee.			

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Shilpa Bhatia (CS)	Shakti Singh (CFO)	Total
1	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3.35	4.86	8.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	others, specify...				-
5	Others, please specify				-

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

During the year 2020-21, there were no penalties/punishment/compounding of offences under Companies Act, 2013.

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

Ashok Kumar Gupta  
Managing Director  
DIN: 02590928

Govind Prasad Agrawal  
Director  
DIN: 00008429

Place: New Delhi  
Date: August, 13 2021

**ANNUAL REPORT ON CSR ACTIVITIES**

**1. Brief outline on CSR Policy of the Company.**

ACMS CSR policy is aimed to provide support to the disadvantaged/marginalized cross section of the society by providing opportunities to improve their quality of life.

The expenditure made is within the broad framework of Schedule VII of the Companies Act, 2013.

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 read the Companies (Corporate Social Responsibility Policy) amended rules, 2014 and the same is placed on the Company's website at [www.avonmorecapital.in](http://www.avonmorecapital.in)

**2. Composition of CSR Committee:**

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ajay Kumar	Independent Director, Chairman	1	1
2.	Mr. Govind Prasad Agrawal	Non-Executive Director, Member	1	1
3.	Mr. Ashok Kumar Gupta	Managing Director, Member	1	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company-**

<http://avonmorecapital.in/corporategovernance.html>  
[CSR Amended Policy-ACMS-01.04.2021.pdf \(avonmorecapital.in\)](#)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not applicable**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NIL**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1			
2		Not Applicable	
3			
	<b>TOTAL</b>		

**6. Average net profit of the company as per section 135(5)-Rs. 127.54 Lakhs**

**7. (a) Two percent of average net profit of the company as per section 135(5)- Rs. 2.55 Lakhs**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years -NIL**

**(c) Amount required to be set off for the financial year if any -NIL**

**(d) Total CSR obligation for the financial year (7a+7b- 7c). - Rs. 2.55 Lakhs**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2.55 Lakhs	NA	NA	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Name	CSR Registration number.
				State.	District.							
1.												
2.												
3.												
	<b>TOTAL</b>											

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs..)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Contribution to Radha Madhav Centre for Social and Cultural Development engaged in socio-economic development and relief work	Education	Yes	Delhi	Delhi	1.00 Lakhs	No	Radha Madhav Centre for Social and Cultural Development	CSR00000764
2.	Contribution to Dev Eye Foundation	Healthcare: Free eye surgeries, Free eyes screening camp and distribution of eye frames.	Yes	UP	Ghaziabad	1.55 Lakhs	No	Dev Eye Foundation	CSR00011002
TOTAL						2.55 Lakhs			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs. 2.55 Lakhs

(g) Excess amount for set off, if any - NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
TOTAL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed /Ongoing.
1.								
2.								
3.								
TOTAL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details)- Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

Ashok Kumar Gupta (Managing Director).	Ajay Kumar (Chairman CSR Committee).
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## Corporate Governance Report

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

The Corporate Governance Report for the financial year 2020-21 which has been prepared pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 contains details relating to the aforesaid year.

### 1. COMPANY'S PHILOSOPHY ON GOVERNANCE

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

### 2. BOARD OF DIRECTORS

#### (a). Composition of Board:

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

The Board of Directors of the Company comprises of 6 Directors drawn from various field of expertise in their functional areas and brings a wide range of the skills and experience on the Board. The Company has

#### (b). Categories and Attendance of Directors

S. No.	Name	Category/ Designation#	Attendance Particulars			Age (in years)	No. of Directorship/s in other companies ^	Directorships held in other listed companies along with nature of Directorship	No. of Membership(s)/ Chairmanship(s) in Board Committees (in other public company) *		Share Holding of Non-Executive Directors (Equity Shares)
			No. of Board Meetings		Last AGM				Member	Chairman	
			Held	attended	Attended						
1	Mr. Ashok Kumar Gupta	Managing Director	4	4	Yes	56	-	-	-	-	-
2	Mr. Govind Prasad Agrawal	Non-Executive & Non-Independent Director	4	4	Yes	66	3	Margo Finance Limited- Non Executive Independent Director Rama Vision Limited- Non Executive Independent Director	3	-	-
3	Mr. Shyam Sunder Lal Gupta	Independent Director	4	4	No	87	2	Rama Vision Limited- Non Executive Independent Director	-	2	-

combination of Executive and Non-Executive Directors with Non-Executive Chairman, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 152 of the Companies Act, 2013. Out of the 6 Directors, 1 is Executive Director and 5 Non-Executive Directors (including three Independent Directors). The Chairman of your Company is neither a promoter nor related to the promoters of your Company.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and have furnished declaration of independence pursuant to Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations. The said declaration of independence were reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfill the criteria of independence and all conditions specified in the Listing Regulations and are independent of the management. None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the Companies in which he is a Director. As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, necessary disclosures regarding committee positions in other public Companies as on March 31, 2021 have been made by the Directors to the Company. Further, none of the Directors are related to any other Director on the Board.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

S. No.	Name	Category/ Designation#	Attendance Particulars			Age (in years)	No. of Directorship/s in other companies ^	Directorships held in other listed companies along with nature of Directorship	No. of Membership(s)/ Chairmanship(s) in Board Committees (in other public company) *		Share Holding of Non-Executive Directors (Equity Shares)
			No. of Board Meetings		Last AGM				1	2	
			Held	attended	Attended						
4	Mr. Ajay Kumar	Independent Director	4	4	Yes	70	2	Almondz Global Securities Limited- Non Executive Independent Director	1	2	-
5	Mrs. Ashu Gupta	Non-Executive & Non-Independent Director	4	4	No	51	-	NIL	-	-	-
6.	Mr. Bhupinder Singh	Independent Director	4	2	No	82	2	Panacea Biotech Limited-Non Executive Independent Director Emmons International Limited- Non Executive Independent Director	-	1	-

^does not include private Companies, foreign Companies and Companies under Section 8 of the Companies Act, 2013.

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

### (c). Brief Profile of Board

**Mr. Ashok Kumar Gupta (FCS), Managing Director**, aged 56 years born on June 25, 1965 is a commerce graduate and is also a fellow member of 'The Institute of Company Secretaries of India'. Mr. Ashok Kumar Gupta is having vast experience in the field of finance, accounts and secretarial matters of the Companies.

**Mr. Shyam Sunder Lal Gupta, Non-Executive & Independent Director**, aged around 87 years born on September 28, 1933 is M.Com, LL.B, MBA & CAIIB and Advocate at Supreme Court of India and the Delhi High Court. He was associated for over 3 decades with the Industrial Finance Corporation of India as Legal Adviser & Head of the Legal Department. Mr. Shyam Sunder Lal Gupta was also associated with M/s Orr. Dinam & Co., a renowned firm of Solicitors and Advocates, as the head of their Delhi office. During his association, he had handled the work of Supreme Court, High Courts, MRTP Commission, CLB, Arbitrators etc. As a practicing Lawyer Mr. Shyam Sunder Lal Gupta was 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.

**Mr. Bhupinder Singh, Non-Executive & Independent Director**, aged 82 years born on July 10, 1939 is a commerce graduate from Delhi University, MBA, CA (Inter), Fellow British Institute of Management (UK) and Fellow Institute of Directors (UK). He is eminently experienced in well known public and private sector organization in various capacities around 55 years. He was CMD of State Trading Corporation (STC) and was Consultant to Ministry of Commerce and Member Task Force, Ministry of Heavy Industry.

**Mr. Ajay Kumar, Non Executive & Independent Director**, aged around 70 years born in January 30, 1951 is 1976 batch Indian Administrative Services

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

**Mr. Govind Prasad Agrawal, Non-Executive Director**, aged 66 years born on September 9, 1954, is a Law graduate and fellow member of 'The Institute of Company Secretaries of India'. He has got rich experience of more than 3 decades in the field of Finance, Law and Administration.

He is presently providing his valuable contribution by serving on the Board of Avonmore Capital & Management Services Limited as a Non- Executive Director and Committees' member of the Company.

He also serves on the Board of Rini Corporate Services Private Limited, Margo Finance Ltd., Rama Vision Limited, Yarmtex Exports Limited and Anemone Holdings Private Limited

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

**Mrs. Ashu Gupta, Non-Executive Director**, aged around 51 years born on December 23, 1969, is a commerce graduate from Delhi University, Bachelor of Law (L.L.B.) from Delhi University and became Company Secretary from the Institute of Company Secretaries of India (ICSI) in 1995. She has immense knowledge and experience of over 2 decades in almost every face 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.

### (d). Non-Executive Directors' Compensation and Disclosures

All the non-executive directors of your Company are being paid Sitting Fees for each Meeting/s of the Board of Directors or Committee/s thereof, attended by them, as the case may be. During the year under review, the Sitting Fees for attending the Board meeting was Rs. 15,000/- each, while the Sitting Fees for attending each meeting of the Audit Committee(s) and other Committee Meeting of the Board of Directors was Rs. 7,500/- and Rs. 3000/- respectively.

### (e). Separate Meeting of Independent Directors

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015, a separate meeting of Independent Directors of the Company was held during Financial Year 2020-21, 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.

### (f). Familiarization programme for independent directors

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

### (g) Matrix of skills/competence/expertise of Directors

As stipulated under Schedule V of the SEBI Listing

Regulations, the following matrix summarizes list of core skills/ expertise/ competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

S. No.	Name of Directors	Core Skills/expertise/competencies
1	Mr. Ashok Kumar Gupta	Management and Strategy, Finance and Taxation, Corporate Governance and Ethics, Law, Corporate Social Responsibility, Leadership
2	Mr. Govind Prasad Agrawal	Management and Strategy, Regulatory, Government and Security matters, Finance and Taxation, Corporate Governance and Ethics, law, Corporate Social Responsibility, Leadership, Audit and Risk Management
3	Mr. Shyam Sunder Lal Gupta	Audit and Risk Management, Regulatory, Government and Security matters, Economics and Statistics, Finance and Taxation, Law, Corporate Social Responsibility, Advisory in banking and legal sector
4	Mr. Ajay Kumar	Audit and Risk Management, Finance and Taxation, Economics and Statistics, Corporate Social Responsibility, Leadership
5	Mrs. Ashu Gupta	Law, Corporate Governance and Ethics, Corporate Social Responsibility, Regulatory, Government and Security matters
6	Mr. Bhupinder Singh	Management and Strategy, Finance and Taxation, Economics and Statistics

### (h). 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.

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.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### (i). Other Provisions as to Board and Committees

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

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

During the Financial year 2020-21 the Board of Directors met Four(4) times on the following dates:- July 30, 2020, September 15, 2020, November 13, 2020 and February 13, 2021.

The Directors present in the meetings actively participated in the deliberations. The provisions of the Companies Act, 2013 and the requirements of the SEBI (LODR) Regulations are duly complied with.

### (j). Board Procedure

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

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

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

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

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

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

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

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

### (k). Board Support

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

### (l). 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 in compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31<sup>st</sup> March, 2021 is attached to this Corporate Governance Report.

## 3. COMMITTEES OF THE BOARD

The Board of Directors has constituted various 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,
- Corporate Social Responsibility 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 Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee, inter alia, includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- that the financial statement is correct, sufficient and credible.
2. Recommendation 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 and auditor's report 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) modified opinion(s) in the draft audit report.
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. 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.
  7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
  8. 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.
  9. approval or any subsequent modification of transactions of the Company with related parties;
  10. scrutiny of inter-corporate loans and investments;
  11. valuation of undertakings or assets of the Company, wherever it is necessary;
  12. evaluation of internal financial controls and risk management systems;
  13. monitoring the end use of funds raised through public offers and related matters.
  14. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  15. 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;
  16. Discussion with internal auditors, any significant findings and follow up there on.
  17. 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.
  18. 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.
  19. 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.
  20. To review the functioning of the Whistle Blower mechanism.
  21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  22. To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
  23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.\*
  24. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- \*Included as per the amendment by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2021.

### COMPOSITION

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

Name of Members	Designation	Category
Ajay Kumar	Chairman	Independent Director
Shyam Sunder Lal Gupta	Member	Independent Director
Govind Prasad Agrawal	Member	Non-executive Director

The Committee members have requisite experience in the fields of Finance and Accounts, Banking and Management. The Audit Committee met 4 times during the year. The quorum of the Committee is 1/3rd of the total strength of the Committee or 2 members, whichever is higher and minimum of two independent Directors. Mr. Ajay Kumar, who is a non-executive and Independent Director, having sufficient accounting and financial management expertise and is elected as the Chairman of the Committee.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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 July 30, 2020, September 15, 2020, November 13, 2020 and February 13, 2021. For the finalization of the Audited Annual Accounts of the Company for the financial year 2020-21, the meeting of the Audit Committee was held on 28<sup>th</sup> June, 2021. The attendance of the individual Directors in the aforesaid meetings were as follows:

Name of Directors	No. of Meeting Attended / held during the F.Y. 2020-21
Mr. Govind Prasad Agrawal	4/4
Mr. Shyam Sunder Lal Gupta	4/4
Mr. Ajay Kumar	4/4

### • NOMINATION AND REMUNERATION COMMITTEE

#### TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee of the Company cover the matters as specified in Regulation 19 of SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013.

The broad terms of reference of the Nomination & Remuneration Committee are as under:

- To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down as in 2 below, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and Senior Management
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To extend or continue whether the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

#### COMPOSITION

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

Members	Designation	Category
Mr. Ajay Kumar	Chairman	Non Executive & Independent Director
Mr. Shyam Sunder Lal Gupta	Member	Non Executive & Independent Director
Mr. Govind Prasad Agrawal	Member	Non Executive Director

During the year under review, only 1 (One) meeting of Nomination and Remuneration Committee was held, i.e. on 15.09.2020.

### 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<sup>st</sup> March, 2021 are as follows:

#### (a) Executive Director (Amount In Lakhs)

Name	Category	Remuneration*
Mr. Ashok Kumar Gupta	Managing Director	11.60

\* The remuneration includes all the major groups, such as salary, benefits, bonuses, stock options, pension etc paid to the Directors during the FY 2020-21.

#### (b) Non-Executive Directors (Amount In Lakhs)

Name	Category	Sitting Fees As on 31.03.2021
Mr. Govind Prasad Agrawal	Non-Executive Director	0.96
Mr. Bhupinder Singh	Independent Director	0.48
Mr. Shyam Sunder Lal Gupta	Independent Director	0.81
Mr. Ajay Kumar	Independent Director	0.99
Mrs. Ashu Gupta	Non-Executive Director	0.60

During the year, there was no pecuniary relationship or transaction with any non-executive director of the Company, apart from their remuneration/ sitting fees as directors.

### • 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 Regulation 20 of SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders of the Company.

The terms of reference of the SRC includes:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company."

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### COMPOSITION

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

S No.	Name	Designation	Category
1.	Mr. Govind Prasad Agrawal	Chairman	Non-Executive Director
2.	Mr. Shyam Sunder Lal Gupta	Member	Non-Executive & Independent Director
3.	Mr. Ashok Kumar Gupta	Member	Managing Director

During the year under review, 1 (One) Stakeholders Relationship Committee (Formerly Share Transfers & Shareholders Grievance Committee) meeting was held on 23<sup>rd</sup> march, 2021 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.

**Details as required as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021**

- (a) name of the non-executive director heading the committee - Mr. GP Agrawal
- (b) name and designation of the compliance officer - Shilpa Bhatia, Company secretary & Compliance Officer
- (c) number of shareholders' complaints received during the financial year - Nil
- (d) number of complaints not solved to the satisfaction of shareholders - Nil
- (e) number of pending complaints - Nil

● **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. Govind Prasad Agrawal and Mr. Ashok Kumar Gupta. No meeting has been held during the year under review. Mr. Ashok Kumar Gupta Managing Director of the Company elected as the Chairman of the Committee for all its meetings.

S I No.	Name	Designation	Category
1.	Mr. Shyam Sunder Lal Gupta	Member	Non-Executive & Independent Director
2.	Mr. Govind Prasad Agrawal	Member	Non-Executive Director
3.	Mr. Ashok Kumar Gupta	Chairman	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, Mr. Ajay Kumar 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 review, 1(one) meeting of Management Committee meeting was held i.e. on 21<sup>st</sup> October, 2020.

● **RISK MANAGEMENT COMMITTEE**

In compliance with the provision of Section 134 (3) (n) of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015, Company has constituted a Risk Management Committee on March 30, 2015 to oversee risk management function performed by the management, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks.

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

The broad terms of reference of committee are as under:

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

● **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of Directors have constituted a Corporate Social Responsibility Committee to undertake and supervise the CSR Activities of the Company. During the year under report, one meeting of the Committee was held. The composition of the Committee was as under:

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

S. No.	Name	Designation	Category
1.	Mr. Ajay Kumar	Chairman	Non-Executive & Independent Director
2.	Mr. Govind Prasad Agrawal	Member	Non-Executive Director
3.	Mr. Ashok Kumar Gupta	Member	Managing Director

Mr. Ajay Kumar is the Chairman of the CSR Committee.

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021.

In line with the said amendments, the Board of directors has amended the existing policy. The policy including the composition of the CSR committee is uploaded on the Company's website [www.avonmorecapital.in](http://www.avonmorecapital.in)

### 5. GENERAL BODY MEETINGS

#### i. General Meetings

##### a. Details of the last three Annual General Meetings:-

Financial Year Ended	AGM	Location	Date of Meeting	Time of Meeting
31.03.2020	28 <sup>th</sup>	through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")	6 <sup>th</sup> November, 2020	13:00 Hrs.
31.03.2019	27 <sup>th</sup>	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi-110054	27 <sup>th</sup> September, 2019	12:00 Hrs.
31.03.2018	26 <sup>th</sup>	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi-110054	27 <sup>th</sup> September, 2018	12:00 Hrs.

##### b. Extraordinary General Meeting:

During the year under Report, no extraordinary general meeting of the shareholders of the Company was held.

##### c. 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
28 <sup>th</sup> Annual General Meeting	No Special Resolution was passed
27 <sup>th</sup> Annual General Meeting	Re-appointment of Mr. Ajay Kumar as a Non-Executive Independent Director of the Company for second term of five consecutive years Re-appointment of Mr. Shyam Sunder Lal Gupta as a Non Executive Independent Director of the Company for second term of five consecutive years Appointment of Mr. Bhupinder Singh as a Non-Executive Independent Director of the Company
26 <sup>th</sup> Annual General Meeting	Approval to Mr. Shyam Sunder Lal Gupta to continue under the current tenure of independent director beyond the age of 75 years. Approval to Mr. Chand Krishna Tikku to continue under the current tenure of independent director beyond the age of 75 years.

#### ii. Postal Ballot :

During the year under review, no resolution was put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

### 6. MEANS OF COMMUNICATION

The quarterly and annual results of the Company are published in leading newspaper in India, viz. Business Standard (English & Hindi), the results are also displayed on the Company's website "[www.avonmorecapital.in](http://www.avonmorecapital.in)". The Company also regularly provides relevant information to the stock exchanges as per the requirements of the SEBI (LODR) Regulations, 2015. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

The Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2021.

#### 4. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

Further, your Company is already maintaining a functional website containing various disclosures/information about the Company for the public at large including basic information as mandated under newly inserted Regulation 46 of the SEBI (LODR) Regulations, 2015, and regularly updating the information available thereon.

As per the requirement of the Regulation 47 of the SEBI (LODR) Regulations, 2015, the Financial Results are published in leading national newspapers as detailed hereinbelow:

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Quarter/ Financial Year ended	Unaudited/ Audited	Name of the Newspaper (version)	Date of Publication
June 2020 (Qtrly.)	Unaudited Consolidated	Business Standard (English & Hindi)	16 <sup>th</sup> September, 2020
September 2020 (Qtrly.)	Unaudited Consolidated	Business Standard (English & Hindi)	14 <sup>th</sup> November, 2020
December 2020 (Qtrly.)	Unaudited Consolidated	Business Standard (English & Hindi)	15 <sup>th</sup> February, 2020
March 2021 (Annual)	Audited Consolidated	Business Standard (English & Hindi)	29 <sup>th</sup> June, 2021

The Company has also designated "[complianceacms@almondz.com](mailto:complianceacms@almondz.com)" as an email id for the purpose of registering complaints by investors and displayed the same on the Company's website.

### COMPLIANCE OFFICER

The Board had designated Ms. Shilpa Bhatia, Company Secretary as the Compliance Officer of the Company.

Address: F-33/3, Okhla Industrial Area, Phase-II, New Delhi-10020

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

Phone: 011-43500700

Fax: 011- 43500787

### 7. GENERAL SHAREHOLDERS' INFORMATION

#### i) Annual General Meeting:

**Date:** 29<sup>th</sup> September 2021

**Time:** 01.00 P.M.

**Venue:** Through Video Conference ("VC") or Other Audio Visual Means ("OAVM")

#### ii) Financial Calendar:

Approval of Unaudited Quarterly Results for the period ended:

- June 30, 2020 — 15<sup>th</sup> September, 2020
- September 30, 2020 — 13<sup>th</sup> November, 2020
- December 31, 2020 — 14<sup>th</sup> February, 2020

Approval of Audited Financial Results for Financial Year ended:

- March 31, 2021 — June 28, 2021

#### iii) Book Closure Dates:

September 23, 2021 – September 29, 2021 for the 29<sup>th</sup> Annual General Meeting (both days inclusive).

#### iv) Listing on Stock Exchanges:

Bombay Stock Exchange Limited, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001

The shares of the Company were listed on Delhi Stock Exchange Ltd. (DSE), DSE House, 3/1, Asaf Ali Road, New Delhi 110 002. However, SEBI vide its order No.WTM/PS/45/MRD/DSA/NOV/2014 dated 19 November 2014 withdrew the recognition granted to the said stock exchange.

#### v) Scrip Codes/Symbol:

Scrip ID at Bombay Stock Exchange Limited: AVONMORE

Scrip Code Bombay Stock Exchange Limited: 511589

Listing Fees as applicable has been paid.

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

INE323B01016 as allotted by NSDL & CDSL

#### vii) Depositories Connectivity:

- National Securities Depository Limited (NSDL)
- Central Depository Service (India) Limited (CDSL)

#### viii) Corporate Identification Number:

L67190DL1991PLC045857

#### ix) Market Price Data:

High, Low and number and volume of trades of Company's equity shares vis-a-vis Sensex during each month in the financial year 2020-21 at the Bombay Stock Exchange Limited:

#### Bombay Stock Exchange Ltd. (BSE)

Month & Year	Month's High Price	Month's Low Price	Volume of Trades
Apr-20	10.75	7.3	1,32,978
May-20	8.9	7.13	55,438
Jun-20	12.2	8	2,61,543
Jul-20	10.5	8.5	92,638
Aug-20	13.7	8.71	3,48,191
Sep-20	11.85	9.35	3,72,676
Oct-20	12.4	9.63	2,28,210
Nov-20	16.9	10.12	4,82,057
Dec-20	19.95	14.3	8,47,067
Jan-21	18.5	15	2,68,505
Feb-21	20.5	15.55	4,65,898
Mar-21	22.5	16.15	4,28,717

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

Source: [www.bseindia.com](http://www.bseindia.com)

#### x) Reconciliation of Share Capital Audit Report

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 2018, quarterly audit is being undertaken by M/s NPS & Associates, Company Secretaries, Practicing Company Secretary for reconciliation of share capital of the Company.

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

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

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Status of Dematerialization of Shares as on 31<sup>st</sup> March, 2021

Particulars	No. of Shares	% of Total capital
Dematerialized*	2,40,34,177	99.00
Physical	2,36,723	1.00
<b>Total</b>	<b>2,42,70,900</b>	<b>94.62</b>
<b>Total Issued Capital</b> (includes forfeited shares)	<b>2,56,50,280</b>	<b>100.00</b>

\* Reason of Difference is due to 13,79,380 forfeited equity shares.

#### xi) Registrars & Transfer Agents (RTA):

M/s Beetal Financial & Computer Services Pvt. Ltd.  
 "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre,  
 Near Dada Harsukhdas Mandir, New Delhi – 110 062  
 Phone Number: 91-11-2996 1281/82  
 Fax Number: 91-11-2996 1280/84  
 E-mail: [beetalrta@gmail.com](mailto:beetalrta@gmail.com),  
 Website: [www.beetalfinancial.com](http://www.beetalfinancial.com)

#### xii) Investors Correspondence / Query

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

#### M/s Beetal Financial & Computer Services Pvt. Ltd.

"Beetal House", 3rd Floor, 99, Madangir,  
 Behind Local Shopping Centre,  
 Near Dada Harsukhdas Mandir,  
 New Delhi – 110 062

#### For any query on Annual Report:- Secretarial Department

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

#### xv) Evolution of Capital:

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

#### xiii) Share Transfer System:

All matters connected with the share transfer both physical and electronic, dividends and other matters are handled by the Registrar & Transfer Agents located at the address mentioned elsewhere in this report. Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from shareholders and other miscellaneous correspondence on change of address, etc., are processed by the Registrar & Transfer Agents. Pursuant to SEBI (LODR) Regulations, 2015, certificates, on half-yearly basis, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company, as required under SEBI (LODR) Regulations, 2015, has designated the following e-mail IDs, namely [complianceacms@almondz.com](mailto:complianceacms@almondz.com) for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances. Shareholders are, therefore, requested to correspond with the Registrar & Transfer Agents for transfer / transmission of shares, change of address and queries pertaining to their shareholding, at their address given in this report.

#### xiv) Consolidation of Folios:

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

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

### Notes:

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

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

### xvi) Shareholding as on March 31, 2021:

#### A. Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

Share Holding of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
Up To 5000	3986	78.27	548358	2.2593
5001 To 10000	449	8.81	376104	1.5496
10001 To 20000	262	5.14	406420	1.6745
20001 To 30000	135	2.65	345453	1.4233
30001 To 40000	50	0.98	183392	0.7556
40001 To 50000	45	0.88	211008	0.8694
50001 To 100000	74	1.45	564118	2.3243
100001 and above	91	1.78	21636047	89.1440
<b>TOTAL</b>	<b>5092</b>	<b>100.00</b>	<b>24270900</b>	<b>100.00</b>

#### B. Categories of shareholders (as per Clause 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2021:

Category of Shareholder	No. of Equity shares	As a percentage of total paid-up Share Capital
<b>A.Promoter and Promoter Group</b>	14808891	61.02
<b>Sub-Total (A)</b>	14808891	61.02
<b>B.Public Shareholding</b>		
<b>Institutions</b>		
Financial Inst/banks	2600	0.01
<b>Non-Institutions</b>		
Individuals	5165880	21.28
Body Corporates	3546526	14.61
Non Resident Indians (NRI):		
N R I - Non - Repatriable	81265	0.33
N R I -Repatriable	469555	1.93
Clearing Members	24853	0.10
Hindu Undivided Family(HUF)	171330	0.71
<b>Sub-Total (B)</b>	<b>9462009</b>	<b>38.98</b>
<b>Total (A+B)</b>	<b>24270900</b>	<b>100</b>

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

Opening Balance	Received	Resolved	Closing Balance
Nil	00	00	NIL

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

### xviii) Green Initiative in Corporate Governance:

Section 136 of the Act and the Rules framed there under allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the Depositories. A physical copy of the Annual Report will be sent to those Members who have not registered their email addresses with the Depositories for receiving electronic communication. A physical

copy of this Annual Report can also be obtained free of cost by any member from the Registered Office of the Company.

A copy of this Annual Report along with its subsidiary is also available on the website of the Company at [www.avonmorecapital.in](http://www.avonmorecapital.in).

### xix) Nomination Facility

Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his / her name.

For further details, shareholders may write to BEETAL.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### 8. OTHER DISCLOSURES

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

All material transactions entered into with related parties as defined under the Act and SEBI (LODR) Regulations, 2015 during the financial year were in ordinary course and at arm's length and have been approved by the audit committee. The Company has obtained the shareholders approval along with annual limits for the related Party Transactions. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link [www.avonmorecapital.in/pdf/transactions\\_policy.pdf](http://www.avonmorecapital.in/pdf/transactions_policy.pdf)

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

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

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

The Company has complied with all requirements of the SEBI (LODR) Regulations, 2015 entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or material penalties imposed, by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

#### C. Whistle Blower Policy

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

#### D. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' Report of the Company.

#### E. Details of Compliance with mandatory items of Corporate Governance

The Company has complied with all the mandatory Corporate Governance requirements as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period under report and the Companies Act, 2013 (amended as on date). The Company is also in compliance with the Corporate Governance and Disclosure norms for NBFCs issued by Reserve Bank of India.

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

- Separate post of Chairman and Managing Director and reimbursement of expenses in the performance of duties.
- Unmodified audit opinion / report.
- The Internal Auditor directly reports to the Audit Committee.

#### F. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in Note to Accounts.

#### G. Subsidiary Companies

During the Financial Year ended March 31, 2021, the Company had seven subsidiaries namely Almondz Infosystem Private Limited, Red Solutions Private Limited, Almondz Global Securities Limited, Avonmore Developers Private Limited, Glow Apparels Private Limited, Apricot Infosoft Private Limited and Anemone Holdings Private Limited. Almondz Global Securities Limited is a material subsidiary as per the thresholds laid down under the Listing Regulations. The Policy on 'material subsidiaries' in terms of Regulation 16(1)(c) of the SEBI Listing Regulations, as approved by the Board at its meeting held on 13 February, 2019 is placed on the Company's website at the following link [www.avonmorecapital.in/pdf/material\\_policy.pdf](http://www.avonmorecapital.in/pdf/material_policy.pdf)

Provisions to the extent applicable as required under Regulation 24 of the SEBI Listing Regulations, with reference to subsidiary companies were duly complied with. During the year under review, the Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies to the extent applicable. 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.

#### H. Total fees paid to Statutory Auditors and all entities in network group

During FY 2020-21 A total fee of ₹ 7.11 Lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to M/s Mohan Gupta & Company, Statutory Auditors and all entities in the network firm/ network entity of which they are part as per the details given below:

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

(Rupees in Lakhs)

Particulars of Fees	Avonmore Capital & Management Services Limited	Almondz Global Securities Limited	Glow Apparels Private Limited	Anemone Holdings Private Limited	Apricot Infosoft Private Limited	Avonmore Developers Private Limited	Almondz Infosystem Private Limited	Red Solutions Private Limited
Statutory Audit fee	1.61	5.25	0.04	0.04	0.02	0.04	0.04	0.02
Others	0.05	-	-	-	-	-	-	-
<b>Total</b>	<b>1.66</b>	<b>5.25</b>	<b>0.04</b>	<b>0.04</b>	<b>0.02</b>	<b>0.04</b>	<b>0.04</b>	<b>0.02</b>

### I. Certificate from Practising Company Secretary

The Company has received a certificate from Neeraj Gupta & Associates, Practising Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

### INSIDER TRADING

#### Code of Conduct for Prevention of Insider Trading

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

### 9. COMPLIANCE CERTIFICATE OF THE AUDITORS

During the financial year ended March 31, 2021 your Company has complied with the conditions of corporate governance as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

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

### 10. MANAGING DIRECTOR AND CFO CERTIFICATION

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Certificate with respect to the prescribed matter is annexed with the Directors' Report and has been signed by Mr. Ashok Kumar Gupta, Managing Director and Mr. Shakti Singh, Chief Financial Officer of the Company.

### 11. General Do's and Don'ts:

- Shareholders/ Beneficial holders should quote their Folio No./ DP Id and Client Id, as the case may be, in all the correspondences with the Company.
- Shareholders/ Beneficial holders should mention their Contact Nos./ Fax Nos. and e-mail Id. Such e-mail ID shall be registered in the records of the Company.
- Shareholders are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company.
- Securities and Exchange Board of India (SEBI), by its Circular No. MRD/DoP/Cir-05/2009 dated 20<sup>th</sup> May, 2009, and SEBI/ MRD/DoP/SE/RTA/Cir-08/2010, dated 7th January, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.
- Shareholders are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- Investors holding shares in dematerialised form should send all the communications related to change in address or change in bank details to their Depository Participant.

### Declaration

As provided under Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 all Board members and Senior Management Personnel have affirmed compliance with Avonmore Capital & Management Services Limited Code of Business Conduct and Ethics for the year ended on 31<sup>st</sup> March, 2021.

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

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

**Place: New Delhi**  
**Date: August 13, 2021**

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

### **Appendix to the Statement on Corporate Governance**

### **Appendix – I**

#### **Certificate on Compliance with the Conditions Of Corporate Governance Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Shareholders of

M/s. Avonmore Capital & Management Services limited

We have examined the compliance of conditions of Corporate Governance by Avonmore Capital & Management Services limited ('the Company') for the year ended March 31, 2020, as stipulated in relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of SEBI (LODR) Regulation 2015, (Regulation 17 to 27, 46(2) (b) to (i) and para C, D and E of Schedule V of chapter IV of the Listing Regulations) for the period from April 1, 2020 to March 31, 2021.

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

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

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

**Mohan Gupta & Company**  
**Chartered Accountants**  
**Firm Registration. 006519N**

**Place: New Delhi**  
**New Delhi: 30.07.2021**  
**UDIN : 21527863AAAAID6845**

**CA Himanshu Gupta**  
**Partner**  
**Membership No. 527863**

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Appendix to the Statement on Corporate Governance

Appendix-II

#### CERTIFICATION BY MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER TO THE BOARD

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

We, Ashok Kumar Gupta, Managing Director and Shakti Singh, Chief Financial Officer of Avonmore Capital & Management Services Limited (hereinafter "the Company"), do hereby certify that:

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 of the applicable provisions of SEBI (LODR) Regulations, 2015 for the current year.

For **Avonmore Capital & Management Services Limited**

Place : New Delhi  
Date : Junu 28, 2021

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

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP6127D

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

This is to confirm that the Company has adopted a Code of Conduct for its Board members and the Senior Management and the same is available on the Company's Website. I confirm that the Company has in respect of financial year ended March 31, 2021 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**

Place: New Delhi  
Date : June 28, 2021

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. ECONOMIC OUTLOOK

#### 1.1 Global economy

The Covid-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. However, International Monetary Fund (IMF), in its World Economic Outlook April 2021 has projected a stronger global recovery, with global growth projected to be 6 percent in 2021 and 4.4 percent in 2022.

#### 1.2 Indian economy

In the COVID-led Financial Year 2020-21, Central Statistical Organization (CSO), in its third advanced estimates, projects India's annual Gross Domestic Product (GDP) to contract by 7.3%. Considering the sector-wise growth, while the output for all the sectors declined over the previous year (except agriculture), construction and trade/hotels have been more severely hit and have seen a sharper decline in output. In the first half of the Financial Year 2020-21, demand was lower across sectors due to lockdown and the supply of goods and services was disrupted mainly due to the non-availability of labour and logistics constraints. However, the gradual opening of the economy from October 2020, resulted in a faster than-expected recovery in the second half of the Financial Year 2020-21.

Government of India had announced various measures to support the economy during this period. The Reserve Bank of India had also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic which had an impact across sectors that were already showing signs of a slowdown even before the outbreak. Union Budget 2021 has provided a strong fillip to Capital expenditure with clear emphasis on infrastructure investment as a key sector to revive demand and overall growth. Even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible. Thanks to the ingenuity of the scientific community, we have multiple vaccines that can reduce the severity and frequency of infections. In parallel, adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions.

IMF expects India to see a GDP growth of 12.5% in 2021. These projections are further backed by independent rating agencies like CRISIL, which expects India's gross domestic product (GDP) growth to rebound to 11% in fiscal 2022, after an estimated 8% contraction this fiscal. Going by these projections, India is expected to be one of the spearheads of global economic recovery through fiscal 2022.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENTS

Non-Banking Financial Companies ("NBFCs"), are one of the most critical pillars for financial services in India. They play an

important role in reaching out to a hitherto under / unserved and thereby broad-basing the formal lending ecosystem, and at the same time, bringing the benefits of formalization to the 'Bharat' we know. NBFCs cater to the needs of both retail as well as commercial sectors and, at times, develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match. They play a critical role in supporting economic growth across income levels, sectors as well as geographies, and in doing so, leading to more employment opportunities and greater wealth creation. Over the past few years, NBFCs have steadily gained prominence and visibility with NBFCs' credit as proportion of scheduled commercial banks' non-food credit rising sharply during 2014 to 2019. However, the challenging macroeconomic environment, weaker than expected demand, liquidity concerns, and lower investor confidence in the sector, led to a significant moderation in the financial performance in FY 2019-20. While there were green shoots of recovery in the second half of the year, the spread of COVID-19 at the beginning of FY 2020- 21, significantly altered the growth outlook. The whole country witnessed a lockdown at the beginning of the financial year which curtailed any hope for economic recovery post the lows of FY 2019-20. The financial services were severely hit during this time, as on one hand, the demand for credit plunged, and on the other hand, the quality of the book worsened. The government and regulators rolled out multiple measures to support the sector, however, most of the players turned conservative limiting the growth and focused solely on collections and recovery. The impact on the vulnerable segments was disproportionately more, affecting their ability to generate cash flows and service their loans. The first half of FY 2020-21 saw the first wave of the pandemic peaking in the month of September and gradually lowering down by February. This period was accompanied by an upswing in the business as well as financial performance of the sector with most of the NBFCs reaching pre-COVID business volumes as well as collections in the fourth quarter of the year. However, with the second wave hitting the country and the consistent rise in the number of new infections, there may again be significant disruption in the business operations affecting all segments – retail as well as commercial. As a result, managing asset quality and cost of operations may again become more important in the first half of the next year vis-à-vis loan growth. The Company remains cautious on the growth outlook for the next year while keeping a close watch on the evolving healthcare situation, pace of vaccinations, monsoons, commodity prices, and how the government and regulators assess and address the economic downside with various fiscal and monetary policy measures. With the focus on both protecting lives as well as livelihoods through mass vaccinations as well as micro-containment strategy, a faster economic recovery in the second wave is anticipated. Furthermore, the concerted efforts of the government along with the strong participation from private sector should go a long way in effectively handling the pandemic and its after-effects.

### 3. COVID – 19 PANDEMIC

Consequent to the outbreak of the COVID-19 pandemic,

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the Company's performance and will depend on the ongoing as well as future developments, which are highly uncertain. This would include any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

#### 4 OPPORTUNITIES & THREATS

NBFCs have played an important role by providing funding to the unbanked sector by catering to the diverse financial needs of the customers. Further, such companies play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance. In the current year, the challenges for NBFCs have moved from liquidity to asset quality with the COVID -19 outbreak and the impact on customers repayment capacity to repay loans. Liquidity covers of the NBFCs are largely dependent on the repayments that they receive from their customers. In order to revive the economy, the Reserve Bank of India had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit offtake and promote economic growth. The regulator increased credit offtake to both Micro, Small & Medium enterprises and Consumer segments.

The second wave of COVID-19 and its potential impact has now raised questions on the economic growth and credit offtake in India. Imposition of sudden lock downs / delay in vaccination program, could result in a deeper economic recession in near future posing threats for our lending business and may impact disbursements and consequent growth in the portfolio. The pressure on asset quality is expected to mount due to lockdown coupled with cash flow and liquidity issues for retail and MSME segments.

The economist fraternity is expecting a sharp V-shaped recovery in the economy and are projecting India's GDP to grow in double digits which will result in increase in credit offtake and consumer spending.

#### 5. OUTLOOK

The markets will continue to grow and mature leading to differentiation of products and services. Companies will have to evolve their customer acquisition and engagement in post COVID economy and each financial intermediary will have to find niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2021-22. The Outlook of the Company for the year ahead is to drive profitable growth across all business segments

#### 6. FINANCIAL PERFORMANCE

During the year under review, total revenues for the financial year ended March 31, 2021 amounted to Rs. 321.36 Lakhs as compared to Rs. 257.20 Lakhs in the previous financial year. As per the Consolidated Accounts, the total revenues are Rs. 7201.70 Lakhs, as against the previous financial year's revenue of Rs. 7218.71 Lakhs. Net Profit after tax for the financial year 2020-21 is amounted to Rs. 46.73 Lakhs as against Rs. 65.22 Lakhs in the previous financial year. As per the Consolidated Accounts, the net profit after tax for the financial year 2020-21 is Rs. 2977.74 Lakhs as against the profit of Rs. 1805.27 Lakhs in the previous financial year.

#### 7. SEGMENT WISE PERFORMANCE

The following table sets forth the net revenues, operating expenses and pre-tax earnings of various business segments of the Company:

(Amount in Lakhs)

Segment	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Investment Activities	Net Revenue	-	-
	Expenses	-	-
	Profit before Tax	-	-
Debt & Equity Market Operations	Net Revenue	19	-1
	Expenses	13	-
	Profit before Tax	6	-1
Finance Activities	Net Revenue	302	239
	Expenses	250	179
	Profit before Tax	52	60

#### 8. KEY FINANCIAL RATIOS

(Amount in Lakhs)

Key Ratios/Industry Specific Ratios	2020-21	2019-20
Debtors Turnover (No. of days)	141	135
Operating Profit Margin (%)	34.17%	27.99%
Return on Net Worth (%)	0.48%	0.65%

#### 9. RISK MANAGEMENT

Your Company, is exposed to various risks that are an inherent part of any financial service business.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

##### Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

Risk	Measurement	Risk management
Credit risk	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate	Sensitivity analysis	Review of cost of funds and pricing disbursement

### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 90 days past due.

Since, majority of Company's receivables are from its related parties/ group companies & there have not been any instances

of default/ non-payment by said companies. Further, the receivables are from entities other than related parties have been regular and there are no defaults. Accordingly, the provision matrix couldn't be applied to calculate a Default Risk Rate and the Company made a provision of 2 % on its receivables following the prudence approach of accounting.

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs. 267.64 lac as at March 31, 2021 (March 31, 2020: Rs.657.99 lac ) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

### (iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to one type of market risk namely: interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### (iv) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. Since the company has no variable rate instruments in the current year, the company is not exposed to interest rate risk.

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### 10. COMPLIANCE

An independent and comprehensive compliance structure addresses the Company's compliance and reputation risks. All key subsidiaries of the Company have an independent compliance function. The Compliance officials across the Group interact on various issues including the best practices followed by the respective companies. The Company uses the knowledge management system for monitoring new and changes in existing regulations. The Company also looks at regulatory websites and participates in industry working groups that discuss evolving regulatory requirements. Training on compliance matters is imparted to employees on an ongoing basis.

### 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal control in all spheres of its activities which is commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Company has adequate systems and procedures to provide assurance of recording transactions in all material respects. The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of operations. The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically. Moreover, ACMS continuously upgrades these systems in line with the best available practices. The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate. Internal Audit Reports are discussed with the Management and are reviewed by the Audit

Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The established Internal Control Systems of your company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly.

### 12. 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. It follows a policy of building strong teams of talented professionals. It also 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. ACMS is committed in helping its people gain varied experiences, accomplish challenging assignments, learn continuously and build their careers.

### 13. CAUTIONARY STATEMENT

*Statements in this Management Discussion and Analysis of Financial Conditions describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities' laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government/ regulatory regulations, tax laws, economic developments within the country and such other factors.*

## INDEPENDENT AUDITOR’S REPORT

To the Members of M/s. Avonmore Capital & Management Services Limited

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of M/s. Avonmore Capital & Management Services Limited (“the Company”) which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, **profit** and total comprehensive **Income**, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Revenue recognition of Interest Income against advancing loans (As described in accounting policies)	
Revenue is recognized to the extent it is possible that economic benefits will flow to the Company and revenue can be reliably measured.	We have read the company’s revenue recognition accounting policies and assessed compliance of the policies and guidelines of the Reserve Bank of India on prudential norms for income recognition of Non-Banking Financial Companies.
Income / revenue is generally accounted on accrual as they are earned except income from non-performing assets as defined in the guidelines of the Reserve Bank of India on prudential norms for income recognition of Non-Banking Financial Companies.	

#### Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ‘The Auditor’s Responsibilities Relating to Other Information’.

#### Management 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 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information.

### Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

- g. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the 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 explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.

- ii) As informed to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii) As informed to us, the company has no amount for transferring to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Mohan Gupta & Company**  
**Chartered Accountants**  
FRN:-006519N

**CA Himanshu Gupta**  
Partner  
M.No. 527863

**Place :** New Delhi  
**Date :** 28-06-2021  
**UDIN :** 21527863AAAAHJ6112

## Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **M/s. Avonmore Capital & Management Services Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mohan Gupta & Company**  
**Chartered Accountants**  
FRN:-006519N

**CA Himanshu Gupta**  
Partner  
M.No. 527863

**Place :** New Delhi  
**Date :** 28-06-2021  
**UDIN :** 21527863AAAAHJ6112

## Annexure-B to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

1. In respect of Property, Plant and Equipment (Fixed Assets):
  - a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments;
  - b) According to the information and explanations given to us, Property, Plant & Equipments have been physically verified by the management in a phased manner, designed to cover all the items, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the management during the year and no material discrepancies between the books records and the physical Property, Plant & Equipments have been noticed.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties, if any are held in the name of the company.

2. The inventory (consisting shares and securities) has been verified during the year by the management. In our opinion, the frequency of verification is reasonable. There is no material discrepancy was noticed on verification. The shares held as stock in trade have been confirmed with the statement of holding of depository at the end of the year by the management. In case of securities acquired during the year for which settlement of delivery as per stock exchanges regulations has happened post 31<sup>st</sup> March 2021, the holding has been confirmed with statement of holding of depository for the period subsequent to 31<sup>st</sup> March 2021. In our opinion, the frequency of verification of holding is reasonable. No discrepancies have been noticed on verification between securities held as stock in trade as per the statement of holding and as per books of account.
3. The Company has granted unsecured loans to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are applicable to the Company.

S. No.	Name of Parties	Opening Balance	Loan Given During the year	Repayment of Loan Given	Maximum Amount Outstanding	Closing Balance as on 31/03/2021
1	Almondz Global Infra Consultant Limited	2,97,75,000	1,00,00,000	2,97,75,000	2,97,75,000	1,00,00,000
2	Almondz Global Securities Limited	0.00	14,72,65,000	13,79,60,000	2,81,35,000	93,05,000
3	Red Solutions Private Limited	0.00	4,24,15,000	0.00	4,24,15,000	4,24,15,000

- (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the bodies corporate listed in the register maintained under section 189 of the act are not, prima facie, prejudicial to the interest of the company.
  - (b) In the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
  - (c) There is no overdue amount in respect of loans granted to such companies.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of companies act, 2013 in respect of loans, Investments, Guarantees, and Security.
5. According to the information and explanations given to us, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the rules framed there under to the extent notified. Accordingly, paragraph 3(v) of the order is not applicable to the company.
6. In our opinion, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly, paragraph 3(vi) of the order is not applicable to the company.
- 7a). According to the information's and explanations given to us and the records of the company examined by us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, sales tax, service tax, goods & services tax, value added tax, cess and other statutory dues with appropriate authorities and no statutory dues are outstanding for a period exceeding six months from the date they became payable except as under: NIL
- 7b). According to the information's and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, goods & services tax, value added tax or cess which have not been deposited on account of any dispute, except as under: NIL
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to PFI and Banks. The company has not obtained any loan or borrowings from governments. Further the company does not have any debentures issued/outstanding at any time during the year.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order is not applicable to the Company.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

10. In our opinion and according to the information and explanation given to us, no fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has paid or provided during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the Company.
13. According to the information's and explanations given to us and the records of the company examined by us, the company has complied all the provision of section 177 and 188 of the Companies Act, 2013 regarding the transaction with related parties. The company has disclosed all the transaction with related parties in financial statement.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
16. The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934

**For Mohan Gupta & Company**  
**Chartered Accountants**  
FRN:-006519N

**CA Himanshu Gupta**  
Partner  
M.No. 527863

**Place:** New Delhi  
**Date :** 28-06-2021  
**UDIN :** 21527863AAAAHJ6112

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Standalone Balance Sheet as at March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	267.64	657.99
Receivables			
Trade receivables	4	813.48	726.64
Loans	5	3,061.58	1,704.50
Investments	6	6,428.43	6,428.43
Other financial assets	7	12.19	64.05
Inventories	8	0.00	1.11
		<b>10,583.32</b>	<b>9,582.72</b>
<b>Non-financial assets</b>			
Income tax assets (net)	9	26.03	16.95
Deferred tax assets (net)	10	94.63	95.34
Property, plant and equipment	11	2.44	0.30
Intangible assets	12	0.69	0.79
Other non-financial assets	13	510.09	502.50
		<b>633.88</b>	<b>615.88</b>
<b>Total Assets</b>		<b>11,217.20</b>	<b>10,198.60</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables	14	9.11	1.69
Borrowings other than debt securities	15	962.25	40.00
Other financial liabilities	16	55.07	21.97
		<b>1,026.43</b>	<b>63.66</b>
<b>Non-financial liabilities</b>			
Income tax liabilities (net)	17	-	-
Provisions	18	19.22	14.80
Other non-financial liabilities	19	4.94	2.10
		<b>24.16</b>	<b>16.90</b>
<b>Equity</b>			
Equity share capital	20	2,492.17	2,492.17
Other equity	21	7,674.44	7,625.87
		<b>10,166.61</b>	<b>10,118.04</b>
<b>Total Liabilities and Equity</b>		<b>11,217.20</b>	<b>10,198.60</b>

Summary of significant accounting policies

1 & 2

The accompanying notes form an integral part of these financial statements.

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHJ6112

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

**Standalone Statement of Profit and Loss for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
<b>Revenue from operations</b>			
Interest income	22	301.48	235.43
Dividend income	23	0.02	-
		<b>301.50</b>	<b>235.43</b>
Other income	24	19.85	21.77
		<b>19.85</b>	<b>21.77</b>
<b>Total Income</b>		<b>321.35</b>	<b>257.20</b>
<b>Expenses</b>			
Finance costs	25	43.23	3.88
Fees and commission expense	26	17.18	16.71
Impairment on financial instruments	27	1.95	(3.78)
Employee benefits expenses	28	86.32	88.36
Depreciation and amortisation	29	0.20	0.16
Other expenses	30	114.72	70.47
<b>Total Expenses</b>		<b>263.60</b>	<b>175.80</b>
<b>Profit before exceptional items and tax</b>		<b>57.75</b>	<b>81.40</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>57.75</b>	<b>81.40</b>
<b>Tax expense:</b>			
Current tax	40	17.35	15.65
Adjustment for prior years	40	(4.55)	0.49
Deferred tax charge	40	(1.78)	0.04
		<b>11.02</b>	<b>16.18</b>
<b>Profit after tax</b>		<b>46.73</b>	<b>65.22</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of defined benefit plans	35	2.49	0.91
- Income tax relating to these items	40	(0.65)	(0.23)
<b>Other comprehensive income for the year</b>		<b>1.84</b>	<b>0.68</b>
<b>Total comprehensive income</b>		<b>48.57</b>	<b>65.90</b>
<b>Earnings per equity share (in Rs.)</b>			
Nominal value of Rs. 10 each (Previous year Rs. 10 each)			
-Basic & Diluted earning per share	31	0.19	0.26

Summary of significant accounting policies

1 & 2

The accompanying notes form an integral part of these financial statements.

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHJ6112

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Standalone Statement of Cash Flows for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	58	81
	Adjustments for:		
	Depreciation and amortisation expense	0	0
	Liabilities written back	-	(17)
	Provisions created/(written back)	6	(6)
	Miscellaneous income	-	(0)
	Dividend income classified as investing cash flows	(0)	-
	Impairment on financial instruments	2	(4)
	Balances written off	86	-
	Provision for employee benefits	3	4
	Finance costs	43	4
	<b>Operating profit before working capital changes</b>	<b>197</b>	<b>63</b>
	<b>Movement in working capital</b>		
	Decrease/(increase) in trade receivables	(175)	187
	(Increase) in loan	(1,357)	814
	Decrease/(increase) in other financial assets	52	(52)
	Decrease/(increase) in inventories	1	9
	Decrease/(increase) in other non-financial assets	(7)	(496)
	Increase/(decrease) in trade and other payables	7	0
	Increase/(decrease) in other financial liabilities	33	34
	Increase/(decrease) in other non-financial liabilities	3	1
	Increase/(decrease) in provisions	(1)	2
	<b>Cash generated from/ (used in) operations</b>	<b>(1,247)</b>	<b>562</b>
	<b>Less: Income Tax Paid (net of refunds)</b>	<b>(20)</b>	<b>(41)</b>
	<b>Net cash inflow from/ (used in) operating activities (A)</b>	<b>(1,267)</b>	<b>521</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Payments for property, plant and equipment and intangible assets	(2)	-
	Proceeds from sale of property, plant and equipment and intangible assets	-	-
	Change in investments	-	(5)
	Dividend income	0	-
	<b>Net cash inflow from/ (used in) investing activities (B)</b>	<b>(2)</b>	<b>(5)</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Finance cost	(43)	(4)
	Proceeds from borrowings (net)	922	13
	Repayment of Subordinated liabilities	-	-
	Proceeds from derivative financial instruments	-	-
	Proceeds from issue of capital	-	-
	Proceeds from issue of optionally convertible redeemable preference shares	-	-
	Proceeds from issue non convertible debentures	-	-
	<b>Net cash inflow from/ (used in) financing activities (C)</b>	<b>879</b>	<b>9</b>
	<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(390)</b>	<b>525</b>
	Cash and cash equivalents at the beginning of the year	658	133
	<b>Cash and cash equivalents at the end of the year</b>	<b>268</b>	<b>658</b>
	<b>Notes to statement of cash flows</b>		
(i)	<b>Components of cash and bank balances (refer note 3)</b>		
	Cash and cash equivalents		
	- Cash on hand	2	2
	- Cheques on hand	-	-
	- Balances with banks in current account	266	656
	<b>Cash and bank balances at end of the year</b>	<b>268</b>	<b>658</b>

(ii) There are no reconciliation items between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

(iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, as applicable.

(iv) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 45.

The accompanying notes form an integral part of these financial statements.

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHJ6112

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

Place: New Delhi  
Date: 28 June-2021

Place: New Delhi  
Date: 28 June-2021

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Standalone Statement of Changes in Equity for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**A. Equity Share capital**

Balance as at April 1, 2019	249,217,131
Change in equity share capital during 2019-20	-
<b>Balance as at March 31, 2019</b>	<b>249,217,131</b>
Change in equity share capital during 2020-21	-
<b>Balance as at March 31, 2021</b>	<b>249,217,131</b>

**B. Other Equity**

Particulars	Attributable to owners of the company					Remeasurement of defined benefit obligations	Total
	Reserves & Surplus						
	Securities premium	Special Reserve	Capital Reserve	Retained Earnings			
<b>Balance as at April 1, 2019</b>	2,564.18	789.34	744.49	3,462.51	(0.55)	<b>7,559.97</b>	
Profit for the year	-	-	-	65.22	-	<b>65.22</b>	
Other comprehensive income	-	-	-	-	0.68	<b>0.68</b>	
<b>Total comprehensive income for the year</b>	-	-	-	<b>65.22</b>	<b>0.68</b>	<b>65.90</b>	
Adjustments during the year	-	-	-	-	-	-	
Transfer to special reserve	-	-	-	(12.09)	-	<b>(12.09)</b>	
Transfer from retained earnings	-	12.09	-	-	-	<b>12.09</b>	
<b>Balance as at March 31, 2020</b>	<b>2,564.18</b>	<b>801.44</b>	<b>744.49</b>	<b>3,515.64</b>	<b>0.13</b>	<b>7,625.87</b>	
Profit for the year	-	-	-	46.73	-	<b>46.73</b>	
Other comprehensive income	-	-	-	-	1.84	<b>1.84</b>	
<b>Total comprehensive income for the year</b>	-	-	-	<b>46.73</b>	<b>1.84</b>	<b>48.57</b>	
Adjustments during the year	-	-	-	-	-	-	
Transfer to special reserve	-	-	-	(9.88)	-	<b>(9.88)</b>	
Transfer from retained earnings	-	9.88	-	-	-	<b>9.88</b>	
<b>Balance as at March 31, 2021</b>	<b>2,564.18</b>	<b>811.31</b>	<b>744.49</b>	<b>3,552.49</b>	<b>1.97</b>	<b>7,674.44</b>	

The accompanying notes form an integral part of these financial statements.

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHJ6112

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

Notes to the financial statements for the year ended March 31, 2021

**Reporting Entity**

Avonmore Capital & Management Services Limited ('the Company') is a company domiciled in India, with its registered office situated at F-33/3, Phase II, Okhla Industrial Area, New Delhi-110020. The Company was incorporated in India on September 30, 1991 and is presently listed on the Bombay Stock Exchange ('BSE'). The Company registered with the Reserve Bank of India ('RBI') on October 7, 2008 as a non-deposit accepting non-banking financial corporation ('NBFC') and is involved in the business of providing loans and advances to corporations as well as sub-broker advisory services.

**1. Basis of preparation**

**(i) Statement of compliance with Indian Accounting Standards:**

These Ind AS financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended March 31, 2021 are the financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the RBI.

The financial statements for the year ended March 31, 2021 were authorised and approved for issue by the Board of Directors on June 28, 2021.

The significant accounting policies adopted for preparation and presentation of these financial statements are included in Note 2. These policies have been applied. **Financial and non-financial classification**

All assets and liabilities have been classified and presented on the basis of liquidity as financial or non-financial as permitted by Division II of Schedule III to the Act.

**(ii) Functional and presentation currency**

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

**(iii) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**(iv) Use of estimates and judgements**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

**Significant management judgements**

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Business model assessment** - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contract.

Notes to the financial statements for the year ended March 31, 2021

**Expected credit loss (ECL)** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements regarding the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Significant estimates**

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management’s estimate of the DBO is based on several underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**2.1 Summary of significant accounting policies**

**(i) Cash and cash equivalents**

Cash and cash equivalents consist of cash, bank balances in current and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

**(ii) Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**(iii) Provisions for standard and non-performing assets**

Provisions for standard and non-performing assets are created in accordance with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Further, specific provisions are also created based on the management’s best estimate of the recoverability of non-performing assets.

**(iv) Property, plant and equipment**

**Recognition and initial measurement**

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

**Subsequent measurement (depreciation method, useful lives and residual value)**

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Part ‘C’ of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Plant and machinery	15 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Vehicles	8-10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

## Notes to the financial statements for the year ended March 31, 2021

### De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

### Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready for intended use are also shown under capital work-in-progress.

### (v) Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including license fees paid, import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### (vi) Revenue recognition

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

Revenue from related parties is recognised based on transaction price which is at arm's length.

The Company does not disaggregate its revenue from contracts with customers by industry verticals and nature of services.

#### Loans advanced/Interest bearing securities and deposits

Revenues are recognised as earned on a day-to-day basis.

In case of interest on investments held as stock in trade, broken period interest on every purchase or sale is split from the price as accrued interest paid or realised. Such broken period accrued interest paid on purchase & received subsequently on its sale is netted and reckoned as income.

### Advisory and consultancy services

Fee 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.

### Trading activities

In the case of trading in bonds, the profit/ loss from the transaction is recognised on the closure of the deal and consequent delivery of the bond.

Revenue on account of trading in shares is recognised on the basis of each trade executed at the stock exchange during the financial year.

In respect of non-delivery based transactions such as derivatives and intraday, the profit and loss is accounted for at the completion of each settlement, however in case of an open settlement the net result of transactions which are squared up on FIFO basis is recognised as profit/loss in the account.

### Income from non-performing assets

Income from non-performing assets are recognised as per the guidelines of the RBI on prudential norms for income recognition of NBFCs.

### Penal interest on delayed payments

They are recognised on cash basis.

### Other interest income

Interest income is recognised on time proportion basis considering the amount outstanding and the rate applicable.

### Dividend

Revenue is recognised when the company's right to receive payment is established by the balance sheet date.

### Other revenue

In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

### Revenues recognised are net of GST wherever applicable.

### (vii) Expenses

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 respective expenses.

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

### (viii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use, are capitalised. Borrowing costs consists of interest and

**Notes to the financial statements for the year ended March 31, 2021**

other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

**(ix) Taxation**

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects

the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**(x) Employee benefits**

**Short-term employee benefits**

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

**Defined contribution plans**

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

**Defined benefit plans**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and last drawn salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

**Other long-term employee benefits**

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plans. Liability in respect of compensated absences becoming due and expected to avail after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience and changes in actuarial assumptions are charged to Statement

## Notes to the financial statements for the year ended March 31, 2021

of Profit and Loss in the year in which such gains or losses are determined.

However, the Company does not encash compensated absences.

### (xi) Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental

borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

### (xii) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (xiii) Foreign currency

#### Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

#### Transition to Ind AS

The Company has elected to exercise the option for accounting for exchange differences arising from translation

## Notes to the financial statements for the year ended March 31, 2021

of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

### (xiv) Impairment of assets

#### a) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset required, the company estimates the assets recoverable amount. An asset's recoverable is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are impaired, the impairment to be recognised in the statement of Profit and loss is measured by the amount by which the carrying amount value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in prior years.

#### b) Impairment of financial assets

##### Loan assets

The company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The company applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the company does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The company established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

For all other financial assets, expected credit loss are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

#### (xv) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Non-derivative financial assets

##### Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

#### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

## Notes to the financial statements for the year ended March 31, 2021

of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of an agreement. Such financial guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 75-90 days in respect to agreements with banks and financial institutions.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently

enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (xvi) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the CODM.

### (xvii) Stock-in-trade

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

## 2.2 Standards issued but not yet effective

There are no standards or amendments issued on or before March 31, 2021 and not yet effective, which may have any material impact on the financial statements of the Company.

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

3 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	2.01	2.01
Balances with banks		
- cheques on hand		-
- on current accounts	265.63	655.98
	<b>267.64</b>	<b>657.99</b>

4 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	580.61	592.35
Interest accrued on loans	232.87	134.29
Credit impaired	4.75	2.80
<b>Less: Allowance for impairment</b>	<b>(4.75)</b>	<b>(2.80)</b>
	<b>813.48</b>	<b>726.64</b>

Footnotes:

(i) Trade receivable are non interest bearing and are normally received in normal operating cycle.

(ii) Details of trade receivables from related parties are disclosed in Note 37.

(iii) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 38.

5 Loans

	As at March 31, 2021	As at March 31, 2020
Loans and advances to related parties	1,119.37	408.25
Loans and advances to others	1,942.21	1,297.25
<b>Less: Provision for non-performing assets</b>	<b>-</b>	<b>(1.00)</b>
	<b>3,061.58</b>	<b>1,704.50</b>
<b>Out of the above</b>		
Loans in India		
- Public sector	-	-
<b>Less: Impairment loss allowance</b>	<b>-</b>	<b>-</b>
- Others	3,061.58	1,705.50
<b>Less: Impairment loss allowance</b>	<b>-</b>	<b>-</b>
<b>Total in India</b>	<b>3,061.58</b>	<b>1,705.50</b>
Loans outside India	-	-

6 Investments

	As at March 31, 2021	As at March 31, 2020
<b>(a) Investment in subsidiaries (equity instruments)</b>		
<b>Unquoted, at cost</b>		
Almondz Infosystem Private Limited	5.00	5.00
Red Solutions Private Limited	0.25	0.25
Glow Apparels Private Limited	277.50	277.50
Avonmore Developer Private Limited	850.00	850.00
Anemone Holdings Private Limited	1.00	1.00
Apricot Infosoft Private Limited	300.00	300.00
<b>Less: Diminution in the value of investment</b>	<b>-</b>	<b>-</b>
	<b>1,433.75</b>	<b>1,433.75</b>
<b>Quoted, at cost</b>		
Almondz Global Securities Limited	3,802.85	3,802.85
	<b>3,802.85</b>	<b>3,802.85</b>

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>(b) Investment in subsidiaries (Preference shares)</b>		
<b>Unquoted, at cost</b>		
<b>Red Solutions Private Limited</b>		
1,68,600, 5% non- cumulative redeemable preference shares of Rs.100 each fully paid up	168.60	168.60
7,92,400, 9% non- cumulative redeemable preference shares of Rs.100 each fully paid up	792.40	792.40
2,16,400, 6% non- cumulative redeemable preference shares of Rs.100 each fully paid up	216.40	216.40
	<b>1,177.40</b>	<b>1,177.40</b>
<b>(c) Investment in other than subsidiaries (Equity shares)</b>		
<b>Unquoted, at fair value</b>		
<b>Globus Industries &amp; Services Limited</b>	1.00	1.00
<b>Shiivaz Spas &amp; Hospitality Private Limited</b>	2.00	2.00
<b>SKTK Projects Limited (Formerly Shivsathi Niketan Limited)</b>	2.60	2.60
<b>Less:</b> Diminution in the value of investment	(3.00)	(3.00)
	<b>2.60</b>	<b>2.60</b>
<b>(d) Investment in Government securities</b>		
National Savings Certificate	0.23	0.23
<b>Less:</b> Diminution in the value of investment	(0.23)	(0.23)
	-	-
<b>Other Investments, at cost</b>		
Painting & Sculpture	11.83	11.83
	<b>11.83</b>	<b>11.83</b>
<b>Grand Total</b>	<b>6,428.43</b>	<b>6,428.43</b>
<b>Out of the above</b>		
-In India	6,428.43	6,428.43
-Others	-	-

**7 Other financial assets**

	As at March 31, 2021	As at March 31, 2020
Advances to		
-employees	-	5.70
-others	3.87	49.50
Interest accrued but not due on loans		
-from related parties	-	-
Other recoverables		
-from related parties	8.32	8.85
-from others	-	-
	<b>12.19</b>	<b>64.05</b>

**8 Inventories**

	As at March 31, 2021	As at March 31, 2020
<b>At fair value through profit or loss</b>		
Equity shares- quoted	0.00	1.11
	<b>0.00</b>	<b>1.11</b>

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

9 Income tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Income tax assets	26.03	16.95
	<b>26.03</b>	<b>16.95</b>

10 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (refer note 40)	9.04	7.91
MAT credit entitlement	85.59	87.43
	<b>94.63</b>	<b>95.34</b>

11 Property, plant and equipment

Current year

Description	Gross block (at cost)				Accumulated depreciation				Net block As at Mar 31, 2021
	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	
Computers and peripherals	0.26	-	-	0.26	0.13	0.02	-	0.15	0.11
Office equipments	0.24	2.25	-	2.49	0.07	0.08	-	0.15	2.33
<b>Total</b>	<b>0.50</b>	<b>2.25</b>	<b>-</b>	<b>2.75</b>	<b>0.20</b>	<b>0.10</b>	<b>-</b>	<b>0.30</b>	<b>2.44</b>

Previous year

Description	Gross block (at cost)				Accumulated depreciation				Net block As at March 31, 2020
	Deemed cost as at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	
Computers and peripherals	0.26	-	-	0.26	0.07	0.05	-	0.12	0.14
Office equipments	0.24	-	-	0.24	0.04	0.04	-	0.08	0.16
<b>Total</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>0.11</b>	<b>0.09</b>	<b>-</b>	<b>0.20</b>	<b>0.30</b>

**Footnotes:**

- (i). The Company has not carried out any revaluation of property, plant and equipment for the period ended March 31, 2021 and March 31, 2020.
- (ii). Please refer note 33 for capital commitments.
- (iii). There are no impairment losses recognised during the year.
- (iv). There are no exchange differences adjusted in Property, Plant & Equipment.

12 Other intangible assets

Current year

Description	Gross block (at cost)					Accumulated depreciation				Net block As at Mar 31, 2021
	As at April 1, 2020	Ind AS adjustments	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	
Computer Software	0.97				0.97	0.18	0.10		0.28	0.69
<b>Total</b>	<b>0.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>0.18</b>	<b>0.10</b>	<b>-</b>	<b>0.28</b>	<b>0.69</b>

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

Previous year

Description	Gross block (at cost)					Accumulated depreciation				Net block
	Deemed cost as at April 1, 2019	Ind AS adjustments	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	As at March 31, 2020
Computer Software	0.97	-	-	-	0.97	0.10	0.09	-	0.18	0.79
<b>Total</b>	<b>0.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>0.10</b>	<b>0.09</b>	<b>-</b>	<b>0.18</b>	<b>0.79</b>

Footnotes:

- (i) There are no internally generated intangible assets.
- (ii). The Company has not carried out any revaluation of intangible assets for year ended March 31, 2021 and March 31, 2020.
- (iii) There are no other restriction on title of intangible assets.
- (iv) There are no exchange differences adjusted in intangible assets.
- (v) The company has not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

13 Other non-financial assets

	As at March 31, 2021	As at March 31, 2020
Balance with government authorities	10.04	9.16
Capital Advance	500.00	493.03
Prepaid expenses	0.05	0.31
	<b>510.09</b>	<b>502.50</b>

14 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- to micro and small enterprises (refer note 34)	-	-
- to others	9.11	1.69
	<b>9.11</b>	<b>1.69</b>

15 Borrowings other than debt securities

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
From others	962.25	40.00
	<b>962.25</b>	<b>40.00</b>

Footnote:

Loan from others represents loan from Rakam Infrastructure Private Limited which carries an interest rate of 9% p.a. and is repayable on demand.

16 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Payable to employees	6.11	12.24
Expenses/ others payable	8.97	6.22
Interest payable	39.99	3.51
	<b>55.07</b>	<b>21.97</b>

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**17 Income tax liabilities (net)**

	As at March 31, 2021	As at March 31, 2020
Income tax liabilities		-
Advance tax receivable (net)		-
	-	-

**18 Provisions**

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
-Gratuity	8.87	8.75
-Leave encashment	-	-
-Compensated absences	1.00	1.46
Contingent provisions for standard assets	9.35	4.59
	<b>19.22</b>	<b>14.80</b>

**19 Other non-financial liabilities**

	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	4.94	2.10
	<b>4.94</b>	<b>2.10</b>

**20 Equity share capital**

	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
3,00,00,000 equity shares of Rs. 10 each	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
2,42,70,900 equity shares of Rs. 10 each	2,427.09	2,427.09
<b>Add: Equity shares forfeited</b>	65.08	65.08
	<b>2,492.17</b>	<b>2,492.17</b>

**a). Terms and rights attached to equity shares**

**Voting**

Each holder of equity shares is entitled to one vote per share held.

**Dividends**

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

During the year ended March 31, 2021, the company has recorded per share dividend of Rs. Nil (previous year Nil) to its equity holders.

**Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

**b). Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of year	2,56,50,280	2,492	2,56,50,280	2,492.17
<b>Add: Shares forfeited during the year</b>	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,56,50,280</b>	<b>2,492</b>	<b>2,56,50,280</b>	<b>2,492.17</b>

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**c). Details of shareholders holding more than 5% of the company**

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Innovative Money Matters Private Limited	90,53,010	37.30%	90,53,010	37.30%
Navjeet Singh Sobti	20,76,315	8.55%	20,76,315	8.55%
Rakam Infrastructures Private Limited	36,74,566	15.14%	25,40,287	10.47%

d). There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e). No class of shares have been bought back by the Company during the period of five years immediately preceding the reporting date.

**21 Other Equity**

	As at March 31, 2021	As at March 31, 2020
<b>a). Securities premium</b>		
Balance at beginning of the year	2,564.18	2,564.18
Additions during the year	-	-
<b>Balance at end of the year</b>	<b>2,564.18</b>	<b>2,564.18</b>
<b>b). Special reserve</b>		
Balance at beginning of the year	801.43	789.34
Additions during the year	9.88	12.09
<b>Balance at end of the year</b>	<b>811.31</b>	<b>801.43</b>
<b>c). Capital reserve</b>		
Balance at beginning of the year	744.49	744.49
Additions during the year	-	-
<b>Balance at end of the year</b>	<b>744.49</b>	<b>744.49</b>
<b>d). Retained earnings</b>		
Balance at beginning of the year	3,515.64	3,462.51
<b>Add:</b> Profit/(loss) for the year	46.73	65.22
<b>Less:</b> Transfer to special reserve	(9.88)	(12.09)
<b>Balance at end of the year</b>	<b>3,552.49</b>	<b>3,515.64</b>
<b>e). Other comprehensive income</b>		
Balance at beginning of the year	0.13	(0.55)
<b>Add:</b> Other comprehensive income for the year	1.84	0.68
<b>Balance at end of the year</b>	<b>1.97</b>	<b>0.13</b>
<b>Total Other equity</b>	<b>7,674.44</b>	<b>7,625.87</b>

**Nature and purpose of other reserves:**

**a). Securities premium**

Securities premium is used to record the premium on issue of shares. It can only be utilised for limited purposes in accordance with the provisions of the Companies Act, 2013.

**b). Special reserve**

Special reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

**c). Capital reserve**

This Capital Reserve was booked on account of sale of company's name in the year of 2007.

**d). Retained earnings**

Retained earnings represents the surplus in profit and loss account and appropriations.

**e). Other comprehensive income**

The company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability; and
- any change in the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability.

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

22 Interest income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on loans	301.48	227.90
Add: Interest reversed in earlier years written back	-	7.53
	<b>301.48</b>	<b>235.43</b>

23 Dividend income

	Year ended March 31, 2021	Year ended March 31, 2020
Dividend income	0.02	-
	<b>0.02</b>	<b>-</b>

24 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Provision for NPA / contingent - written back	1.00	16.77
Provisions written back	0.21	6.00
Miscellaneous income	-	0.19
On trading portfolio		
-Trading of securities	15.54	4.29
-Trading of shares	2.79	(2.31)
-Derivatives	0.31	(3.17)
	<b>19.85</b>	<b>21.77</b>

Footnote:

Information required as per Ind AS 115

- (i) The Company operates from one geographical segment i.e. in India and accordingly, information related to disaggregation of revenue as per geographical markets is not given.

25 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses	43.23	3.88
	<b>43.23</b>	<b>3.88</b>

26 Fees and commission expense

	Year ended March 31, 2021	Year ended March 31, 2020
Brokerage and commission	12.68	12.21
Membership and subscription	4.50	4.50
	<b>17.18</b>	<b>16.71</b>

27 Impairment on financial instruments

	Year ended March 31, 2021	Year ended March 31, 2020
On trade receivables	1.95	(3.78)
	<b>1.95</b>	<b>(3.78)</b>

28 Employee benefit expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	81.95	83.99
Gratuity and leave encashment	2.61	2.28
Staff welfare expense	0.36	0.79
Contribution to provident and other funds	1.40	1.30
	<b>86.32</b>	<b>88.36</b>

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

29 Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on tangible assets (refer note 11)	0.11	0.08
Amortisation of intangible assets (refer note 12)	0.10	0.08
	<b>0.20</b>	<b>0.16</b>

30 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Legal and professional expenses	15.09	25.31
Bad debts written off	36.53	24.78
Rent	-	-
Auditors' remuneration (refer footnote)	1.61	2.15
Business promotion	0.97	0.86
Charity & donations	-	4.32
Rates and taxes	1.07	1.49
Printing and stationery	0.87	1.39
Communication expenses	0.34	0.74
Miscellaneous expenses	0.58	0.19
Contingent provision on Standard Asset	4.79	-
Balances written off	49.50	0.13
Travelling and conveyance	0.69	1.44
Expenditure on CSR activities	2.55	6.58
Loss on sale of investments	-	0.86
Bank Charges	0.13	0.23
	<b>114.72</b>	<b>70.47</b>

Footnote:

(i) Payment of remuneration to auditors (excluding GST)	Year ended March 31, 2021	Year ended March 31, 2020
Statutory audit	1.61	2.15
Other services	0.05	0.05
	<b>1.66</b>	<b>2.20</b>

31 Earnings per share

	-	-
Basic and diluted earnings per share (refer footnote)	0.19	0.26
Nominal value per share (in Rs.)	10.00	10.00
<b>Footnotes:</b>		
<b>(a) Profit attributable to equity shareholders</b>		
Profit for the year	48.57	65.90
<b>Profit attributable to equity holders of the company for Basic and Diluted EPS</b>	<b>48.57</b>	<b>65.90</b>
<b>(b) Weighted average number of shares used as the denominator</b>		
Opening balance of issued equity shares	2,56,50,280	2,56,50,280
Effect of shares issued during the year, if any	-	-
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>2,56,50,280</b>	<b>2,56,50,280</b>
(c) At present, the Company does not have any dilutive potential equity share.		

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

**32 Operating segments**

**A Basis of segmentation**

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The 'Board of Directors' have been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Board of Directors examines the Company's performance both from a product and geographic perspective and have identified the following reportable segments of its business:

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Fees and commission	It comprises broking/commission/underwriting/arranger fees mainly in the nature of services involving no or negligible financial risk.
Income from investment activities	It comprises dividend received, interest on fixed deposits and profit on sale of investments.
Debt and equity market operations	It includes profit on trading activities.
Finance activities	It includes interest income on loan given.

**B Information about reportable segments**

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

**For the year ended March 31, 2021**

	Reportable segment				
	Fees and commission	investment activities	Debt and equity market operations	Finance activities	Total
- Segment revenue	-	-	19.00	302.00	321.00
- Inter segment revenue	-	-	-	-	-
<b>Revenue from external customers</b>	<b>-</b>	<b>-</b>	<b>19.00</b>	<b>302.00</b>	<b>321.00</b>
<b>Segment profit before tax</b>	<b>-</b>	<b>-</b>	<b>6.00</b>	<b>52.00</b>	<b>58.00</b>
<b>Segment assets</b>	<b>-</b>	<b>6,428.00</b>	<b>581.00</b>	<b>4,082.00</b>	<b>11,091.00</b>
<b>Segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,051.00</b>	<b>1,051.00</b>

**For the year ended March 31, 2020**

	Reportable segment				
	Fees and commission	Income from investment activities	Debt and equity market operations	Finance activities	Total
- Segment revenue	-	-	(1.00)	239.00	238.00
- Inter segment revenue	-	-	-	-	-
<b>Revenue from external customers</b>	<b>-</b>	<b>-</b>	<b>(1.00)</b>	<b>239.00</b>	<b>238.00</b>
<b>Segment profit before tax</b>	<b>-</b>	<b>-</b>	<b>(1.00)</b>	<b>60.00</b>	<b>59.00</b>
<b>Segment assets</b>	<b>-</b>	<b>6,432.00</b>	<b>590.00</b>	<b>3,056.00</b>	<b>10,078.00</b>
<b>Segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81.00</b>	<b>81.00</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**C Reconciliations of information on reportable segments Revenues**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>i). Total revenue for reportable segments</b>		
Fees and commission	-	-
Income from investment activities	-	-
Debt and equity market operations	19.00	(1.00)
Finance activities	302.00	239.00
Unallocable	-	-
Inter-segment eliminations	-	-
<b>Total revenue</b>	<b>321.00</b>	<b>238.00</b>

<b>ii). Total comprehensive income</b>		
Total profit before tax for reportable segments	58.00	59.00
Elimination of inter-segment profits	-	-
Other income	-	-
Other unallocable expenditure (net off unallocable income)	-	(23.00)
<b>Profit before tax</b>	<b>58.00</b>	<b>82.00</b>
Share of net profit of associates accounted for using the equity method		
Tax expense	11.02	16.18
<b>Profit after tax</b>	<b>46.98</b>	<b>65.82</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	2.49	0.91
Income tax relating to these items	(0.65)	(0.24)
<b>Other comprehensive income for the year</b>	<b>1.84</b>	<b>0.68</b>
<b>Total comprehensive income for the year</b>	<b>48.82</b>	<b>66.50</b>

**Assets**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>iii). Total assets for reportable segments</b>		
Fees and commission	-	-
Investment activities	6,428.00	6,432.00
Debt and equity market operations	581.00	590.00
Finance activities	4,082.00	3,056.00
Unallocable	126.00	121.00
Inter-segment eliminations	-	-
<b>Total assets</b>	<b>11,217.00</b>	<b>10,199.00</b>

**Liabilities**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>iv). Total liabilities for reportable segments</b>		
Fees and commission	-	-
Investment activities	-	-
Debt and equity market operations	-	-
Finance activities	1,051.00	81.00
Unallocable	-	-
Intersegment eliminations	-	-
	<b>1,051.00</b>	<b>81.00</b>

**Geographic information**

The Company operates from one geographical segment i.e. in India and accordingly there are no reportable geographical segments.

**D Major customers**

There are no major customers which contribute more than 10% of the Group's total revenues in the current financial year.

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to the standalone financial statements for the year ended March 31, 2021**

*(All amounts are Rupees in lacs unless otherwise stated)*

**33 Contingent liabilities, contingent assets and commitments**

**A Contingent liabilities**

	As at March 31, 2021	As at March 31, 2020
Corporate guarantee issued for Almondz Global Securities Limited, a partly-owned subsidiary for working capital limits to Axis Bank	4,050.00	1,313.11
	<b>4,050.00</b>	<b>1,313.11</b>

**B Commitments**

The Company does not have any commitments as at March 31, 2021 and March 31, 2020.

**C Contingent assets**

The Company does not have any contingent assets as at March 31, 2021 and March 31, 2020.

**34 Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

	As at March 31, 2021 Amount in Rs.	As at March 31, 2020 Amount in Rs.
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
-Principal amount due to micro and small enterprises	-	-
-Interest due on above	-	-
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

**35 Employee benefits**

The Company contributes to the following post-employment defined benefit plans in India.

**A. Defined contribution plans:**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and EDLI, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	March 31, 2021 Amount in Rs.	March 31, 2020 Amount in Rs.
Contribution to provident fund (Refer note 28)	1.40	1.30

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**B. Defined benefit plan:**

**Gratuity**

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**A. The following table set out the status of the defined benefit obligation**

	March 31, 2021	March 31, 2020
<b>Net defined benefit liability</b>		
Liability for gratuity	8.87	8.75
<b>Total employee benefit liabilities</b>	<b>8.87</b>	<b>8.75</b>
Non-current	7.97	7.25
Current	0.90	1.50

**B. Reconciliation of the net defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	9.59	0.85	8.75	8.23	0.80	7.43
<b>Included in profit or loss</b>						
Current service cost	2.91	-	2.91	1.63	-	1.63
Past service cost	-	-	-	-	-	-
Interest cost (income)	0.65	0.06	0.60	0.65	0.06	0.59
	<b>3.56</b>	<b>0.06</b>	<b>3.51</b>	<b>2.29</b>	<b>0.06</b>	<b>2.23</b>
<b>Included in OCI</b>						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	(0.05)	-	(0.05)	0.43	-	0.43
- demographic assumptions	-	-	-	-	-	-
- experience adjustment	(2.45)	-	(2.45)	(1.36)	-	(1.36)
Return on plan assets excluding interest income	-	(0.01)	0.01	-	(0.01)	0.01
	<b>(2.50)</b>	<b>(0.01)</b>	<b>(2.49)</b>	<b>(0.93)</b>	<b>(0.01)</b>	<b>(0.91)</b>
<b>Other</b>						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(0.90)	-	(0.90)	-	-	-
	<b>(0.90)</b>	<b>-</b>	<b>(0.90)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance at the end of the year	<b>9.76</b>	<b>0.89</b>	<b>8.87</b>	<b>9.59</b>	<b>0.85</b>	<b>8.75</b>

**C. Plan assets**

The plan assets of the Company are managed by Tata AIA Life Insurance through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan.

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

Plan assets comprises of the following:

	March 31, 2021	% of Plan assets	March 31, 2020	% of Plan assets
Funds managed by insurer	0.85	100%	0.85	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

**D. Actuarial assumptions**

**a) Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	March 31, 2021	March 31, 2020
Discount rate	6.71%	6.61%
Expected rate of future salary increase	7.50%	7.50%

The discount rate has been assumed at 'March 31, 2021:6.71% (31 March 2020: 6.61%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**b) Demographic assumptions**

	March 31, 2021	March 31, 2020
i) Retirement age (years)	60	60
ii) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
iii) Withdrawal rate	11.00%	11.00%

**E. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1.00% movement)	(0.46)	0.56	(0.48)	0.56
Future salary growth (1.00% movement)	0.44	(0.40)	0.43	(0.41)
Withdrawal rate (1.00% movement)	(0.10)	0.10	(0.10)	0.11

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**Description of risk exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**F. Expected maturity analysis of the defined benefit plans in future years**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Duration of defined benefit obligation</b>		
Less than 1 year	0.93	1.53
Between 1-2 years	1.87	0.79
Between 2-5 years	6.18	2.43
Between 5-10 years	1.58	5.72
Over 10 years	4.20	4.20
<b>Total</b>	<b>14.74</b>	<b>14.63</b>

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 is Rs. 2,61,212.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.08 years (March 31, 2020: 9.08 years).

**36 Corporate Social Responsibility**

The board of directors approved CSR policy of the Company at its meeting. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend Rs.2.55 lac on prescribed CSR activities. The Company has spent all for CSR activities amounting to Rs.2.55 lac in accordance with the guidance provided by the Institute of Chartered Accountants of India .

**37 Related party disclosures**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**(a) List of related parties**

Relationship	Name of related party
<b>Entities over which the Company exercises control</b>	Almondz Infosystem Private Limited (AIPL) Almondz Global Securities Limited (AGSL) Avonmore Developers Private Limited (ADPL) Apricot Infosoft Private Limited (APIPL) Anemone Holdings Private limited (AHPL) Glow Apparels Private Limited (GAPL) Red Solutions Private Limited (RSPL) North Square Projects Private Limited (NSPPL) (Subsidiary of AGSL) Almondz Global Infra-Consultant Limited (AGICL) (Subsidiary of AGSL)
<b>Associates</b>	Willis Towers Watson India Insurance Brokers Private Limited
<b>Investing parties in respect of which company is an associate</b>	Innovative Money Matters Private Limited (IMMPL)
<b>Key Management Personnel</b>	Mr. Ashok Kumar Gupta (Managing Director) Mrs. Shilpa Bhatia (Company Secretary) (wef May 30, 2019) Mr Shakti Singh (Chief Financial Officer) (wef February 13, 2019)

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

(b) Details of related party transactions are as below:

For the year ended March 31, 2021

(i) Transactions with holding, subsidiaries, enterprises in respect of which the Company is an associate and enterprises in which key management personnel or their relatives exercise significant influence

Particulars	AGICL	AGSL	AIPL	GAPL	APIPL	AFL
<b>Income</b>						
Interest received	11.16	9.44	-	-	3.18	
<b>Expenses</b>						
Delay payment charges	-	-	-	-	-	
Depository charges	-	0.19	-	-	-	
Brokerage	-	0.05	-	-	-	
<b>Assets/Liabilities</b>						
<b>Transactions during the year</b>						
Loan granted	100.00	1,472.65	-	-	-	
Loan granted- repayment received	297.75	1,379.60	-	-	-	
Loan Taken						1,035.75
Loan Taken-Repayment Paid						73.50
Advances given	-	-	0.01	0.01	0.34	
Advances given - repayment received	-	-	-	-	2.15	
Interest receivable	11.16	9.44	-	-	3.18	
Repayment of interest receivable	6.00	2.34	-	-	2.95	
Interest Payable						39.75
Repayment of interest Payable						2.98
<b>Closing balances</b>						
Non-current investments	-	3,802.85	5.00	277.50	300.00	
Interest receivable	5.16	8.73	-	-	2.94	
Advance Given (Other Receivable)	-	-	0.03	0.02	0.34	
Loans Given	100.00	93.05	-	-	26.50	
Loan Taken						962.50
Interest Payable						36.77
Trade receivables	-	-	-	-	-	

(ii) Transactions with subsidiaries, associates and key management personnel

Particulars	AHPL	ADPL	RSPL	Ashok Kumar Gupta	Shilpa	Shakti Singh
<b>Income</b>						
Interest received	-	-	24.21	-	-	-
<b>Expenses</b>						
Managerial remuneration	-	-	-	11.61	3.36	4.87
<b>Assets/liabilities</b>						
<b>Transactions during the year</b>						
Loans granted	-	-	424.15	-	-	-
Repayment of loans granted	-	-	-	-	-	-
Advances given	0.51	0.03	0.02	-	-	-
Advances given- repayment	0.51	-	-	-	-	-
Interest receivable	-	-	24.21	-	-	-
Repayment of interest receivable	-	-	1.82	-	-	-
Interest Payable						
Repayment of interest Payable						

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to the standalone financial statements for the year ended March 31, 2021**

*(All amounts are Rupees in lacs unless otherwise stated)*

Particulars	AHPL	ADPL	RSPL	Ashok Kumar Gupta	Shilpa	Shakti Singh
<b>Closing balances</b>						
Non-current investments	1.00	850.00	1,177.65	-	-	-
Loans given	-	-	424.15	-	-	-
Advance Given (Other Receivable)	0.01	0.05	6.51	-	-	-
Interest recoverable	-	-	22.40	-	-	-
Trade receivables	3,163.84	-	-	-	-	-

**For the year ended March 31, 2020**

- (i) Transactions with holding, subsidiaries, enterprises in respect of which the Company is an associate and enterprises in which key management personnel or their relatives exercise significant influence

Particulars	NSPPL	AGICL	AGSL	AIPL	GAPL	APIPL
<b>Income</b>						
Interest received	-	70.90	1.81	-	-	3.02
<b>Expenses</b>						
Delay payment charges	-	-	0.01	-	-	-
Depository charges	-	-	0.11	-	-	-
Brokerage	-	-	0.18	-	-	-
<b>Assets/Liabilities</b>						
<b>Transactions during the year</b>						
Loan granted	-	451.00	225.26	-	-	2.00
Loan granted- repayment received	-	693.75	225.91	-	-	-
Advances given	-	-	0.41	0.02	0.02	0.35
Advances given - repayment received	-	-	0.41	0.00	0.01	-
Advances received	-	-	-	-	-	-
Advances received - repayment	-	-	-	-	-	-
Interest receivable	-	70.90	1.81	-	-	3.02
Repayment of interest receivable	1.82	192.52	19.13	-	-	3.11
<b>Closing balances</b>						
Non-current investments	-	-	3,802.85	5.00	277.50	300.00
Interest receivable	-	-	1.63	-	-	2.72
Other recoverable	-	-	-	0.02	0.01	2.15
Loans given	-	297.75	-	-	-	26.50
Trade receivables	-	-	3.82	-	-	-

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

(ii) Transactions with subsidiaries, associates and key management personnel

Particulars	AHPL	ADPL	RSPL	Ashok Kumar Gupta	Shilpa	Shakti Singh
<b>Income</b>						
Interest received	-	-	0.27	-	-	-
			-			
<b>Expenses</b>						
Managerial remuneration	-	-	-	16.88	3.87	7.08
<b>Assets/liabilities</b>						
<b>Transactions during the year</b>						
Loans granted	-	-	10.00	-	-	-
Repayment of loans granted	-	-	10.00	-	-	-
Advances given	0.67	0.02	0.02	-	-	-
Advances given- repayment	0.66	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Repayment of interest receivable	-	-	0.02	-	-	-
<b>Closing balances</b>						
Non-current investments	1.00	850.00	1,177.65	-	-	-
Loans given	-	-	-	-	-	-
Other receivables	0.01	0.02	6.50	-	-	-
Interest recoverable	-	-	-	-	-	-
Trade receivables	3,171.75	-	-	-	-	-

**Terms and conditions of transactions with the related parties**

i). The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

ii). All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

**38 Fair value measurement and financial instruments**

**a). Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

i). As at March 31, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Assets</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	657.99	<b>657.99</b>	-	-	-
Receivables					-	-	-
Trade receivables	-	-	726.64	<b>726.64</b>	-	-	-
Loans	-	-	1,704.50	<b>1,704.50</b>	-	-	-
Investments	-	-	6,428.43	<b>6,428.43</b>	-	-	-
Other financial assets	-	-	64.05	<b>64.05</b>	-	-	-
<b>Total</b>	-	-	<b>9,581.61</b>	<b>9,581.61</b>			
<b>Financial liabilities</b>							
Payables							
Trade payables	-	-	1.69	<b>1.69</b>	-	-	-
Borrowings other than debt securities	-	-	40.00	<b>40.00</b>	-	-	-
Other financial liabilities	-	-	21.97	<b>21.97</b>	-	-	-
<b>Total</b>	-	-	<b>63.67</b>	<b>63.67</b>			

ii). As at March 31, 2021

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Assets</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	267.64	<b>267.64</b>	-	-	-
Receivables					-	-	-
Trade receivables	-	-	813.48	<b>813.48</b>	-	-	-
Loans	-	-	3,061.58	<b>3,061.58</b>	-	-	-
Investments	-	-	6,428.43	<b>6,428.43</b>	-	-	-
Other financial assets	-	-	12.19	<b>12.19</b>	-	-	-
<b>Total</b>	-	-	<b>10,583.32</b>	<b>10,583.32</b>			
<b>Financial liabilities</b>							
Payables							
Trade payables	-	-	9.11	<b>9.11</b>	-	-	-
Borrowings other than debt securities	-	-	962.25	<b>962.25</b>	-	-	-
Other financial liabilities	-	-	55.07	<b>55.07</b>	-	-	-
<b>Total</b>	-	-	<b>1,026.43</b>	<b>1,026.43</b>			

**Level 1:** It includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Notes to the standalone financial statements for the year ended March 31, 2021**

*(All amounts are Rupees in lacs unless otherwise stated)*

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Valuation processes**

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

**b). Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

**Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

<b>Risk</b>	<b>Measurement</b>	<b>Risk management</b>
Credit risk	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate	Sensitivity analysis	Review of cost of funds and pricing disbursement

**(i) Credit risk**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Trade receivables	813.48	726.64
Cash and cash equivalents	267.64	657.99
Investments	6,428.43	6,428.43
Loans	3,061.58	1,704.50
Other financial assets	12.19	64.05

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

**b). Financial risk management (continued)**

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 90 days past due.

Since, majority of Company's receivables are from its related parties/ group companies & there have not been any instances of default/ non-payment by said companies. Further, the receivables are from entities other than related parties have been regular and there are no defaults. Accordingly, the provision matrix couldn't be applied to calculate a Default Risk Rate and the Company made a provision of 2 % on its receivables following the prudence approach of accounting.

Majority of trade receivables are from individual customers, which are fragmented.

Trade receivables relate to revenue generated from rendering of services, receivable against sale of shares, interest receivable on loan granted.

Trade receivables are generally realised within the credit period.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	2.80	6.58
Impairment loss recognised / (reversed)	1.95	-3.78
Balance at the end	<b>4.75</b>	<b>2.80</b>

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs. 267.64 lac as at March 31, 2021 (March 31, 2020: Rs.657.99 lac ) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are Rupees in lacs unless otherwise stated)

b). Financial risk management (continued)

As at March 31, 2021	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Borrowings	962.25	962.25	-	962.25
Trade Payable	9.11	9.11	-	9.11
Expenses payable	8.98	8.98	-	8.98
Interest payable	39.99	39.99	-	39.99
Employee related payables	6.11	6.11	-	6.11
<b>Total</b>	<b>1,026.43</b>	<b>1,026.43</b>	<b>-</b>	<b>1,026.43</b>

As at March 31, 2020	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Borrowings	40.00	40.00	-	40.00
Trade Payable	1.69	1.69	-	1.69
Expenses payable	6.23	6.23	-	6.23
Interest payable	3.51	3.51	-	3.51
Employee related payables	12.24	12.24	-	12.24
<b>Total</b>	<b>63.67</b>	<b>63.67</b>	<b>-</b>	<b>63.67</b>

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to one type of market risk namely: interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. Since the company has no variable rate instruments in the current year, the company is not exposed to interest rate risk.

**39 Capital Management**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to its shareholders

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

**Notes to the standalone financial statements for the year ended March 31, 2021**

(All amounts are Rupees in lacs unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	962.25	40.00
Cash and cash equivalents	(267.64)	(657.99)
<b>Adjusted net debt (A)</b>	694.61	(617.99)
<b>Total equity (B)</b>	10,166.61	10,118.04
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>6.83%</b>	<b>(6.11%)</b>

**40 Income taxes**

**A. Amounts recognised in profit or loss**

	March 31, 2021	March 31, 2020
<b>Current tax expense</b>		
Current year	17.35	15.65
MAT Credit	-	-
Adjustment for prior years	(4.55)	0.49
	<b>12.80</b>	<b>16.14</b>
<b>Deferred tax expense</b>		
Change in recognised temporary differences	(1.78 )	0.04
	<b>(1.78)</b>	<b>0.04</b>
<b>Total Tax Expense</b>	<b>11.02</b>	<b>16.18</b>

**B. Amounts recognised in Other Comprehensive Income**

	March 31, 2021			March 31, 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	2.49	(0.65)	1.84	0.91	(0.24)	0.68
	<b>2.49</b>	<b>(0.65)</b>	<b>1.84</b>	<b>0.91</b>	<b>(0.24)</b>	<b>0.68</b>

<b>C. Reconciliation of effective tax rate</b>	March 31, 2021		March 31, 2020	
	Rate	Amount	Rate	Amount
<b>Profit before tax</b>		57.75		81.40
Tax using the Company's domestic tax rate (A)	26.00%	15.02	26.00%	21.16
Tax effect of:				
Non-deductible expenses				
Non-taxable income				
Tax incentives				
Impact of Taxable/ Non Taxable items		4.00		4.99
Total (B)		<b>4.00</b>		<b>4.99</b>
<b>(A)+(B)</b>		<b>11.02</b>		<b>16.18</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

<b>D. Movement in deferred tax balances</b>	<b>As at March 31, 2020</b>	<b>Recognized in P&amp;L</b>	<b>Recognized in OCI</b>	<b>As at March 31, 2021</b>
<b>Deferred Tax Assets</b>				
Employee benefits	3.84	1.81	(0.65)	5.00
Property, plant and equipment and intangibles	2.24	(0.27)	-	1.97
Trade receivables	0.73	0.51	-	1.24
Investments	0.84	0.00	-	0.84
Loans	0.26	(0.26)	-	-
MAT credit entitlement	87.43	(1.85)	-	85.59
Other non-financial liabilities	-	-	-	-
<b>Sub- Total (a)</b>	<b>95.34</b>	<b>(0.06)</b>	<b>(0.65)</b>	<b>94.63</b>
<b>Deferred Tax Liabilities</b>	-	-	-	-
<b>Sub- Total (b)</b>	-	-	-	-
<b>Net Deferred Tax Asset (a) - (b)</b>	<b>95.34</b>	<b>(0.06)</b>	<b>(0.65)</b>	<b>94.63</b>
<b>D. Movement in deferred tax balances</b>				
	<b>As at March 31, 2019</b>	<b>Recognized in P&amp;L</b>	<b>Recognized in OCI</b>	<b>As at March 31, 2020</b>
<b>Deferred Tax Assets</b>				
Employee benefits	3.95	0.13	(0.24)	3.84
Property, plant and equipment and intangibles	2.55	(0.31)	-	2.24
Trade receivables	1.76	(1.03)	-	0.73
Investments	2.18	(1.34)	-	0.84
Loans	-	0.26	-	0.26
MAT credit entitlement	110.67	(23.24)	-	87.43
Other non-financial liabilities	(2.25)	2.25	-	-
<b>Sub- Total (a)</b>	<b>118.86</b>	<b>(23.28)</b>	<b>(0.24)</b>	<b>95.34</b>
<b>Deferred Tax Liabilities</b>				
<b>Sub- Total (b)</b>	-	-	-	-
<b>Net Deferred Tax Asset (a) - (b)</b>	<b>118.86</b>	<b>(23.28)</b>	<b>(0.24)</b>	<b>95.34</b>

- 41 The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.
- 42 There are no borrowing costs that have been capitalised during the year ended March 31, 2021 and March 31, 2020.
- 43 The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.
- 44 There have been no events after the reporting date that require adjustments/disclosure in this financial statement.
- 45 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHJ6112

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

## INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of M/s. Avonmore Capital & Management Services Limited

Report on the Consolidated Financial Statements

### Opinion

We have audited the Consolidated financial statements of **M/s. Avonmore Capital & Management Services Limited** (hereinafter referred to as “the holding company”), its subsidiaries (the holding company and its subsidiaries together referred to as “the group”) and its associates, which comprising of the consolidated balance sheet as at 31st March 2021, and the consolidated statement of Profit and Loss (Including Other Comprehensive Income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards

on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key Audit Matters	How our audit addressed the key audit matter
<p><b>1. IT systems and controls</b></p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter</p>	<p>We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</li> <li>• Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</li> <li>• Tested the Company’s periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization.</li> <li>• In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.</li> <li>• Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li> </ul>

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the Annual Report but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the auditor otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited Ind AS financial statements. We have nothing to report in this regard.

### Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS 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 the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its associates are also responsible for overseeing the financial reporting process of the Group and its associates.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors,

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

to express an opinion on the consolidated IndAS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matter

The consolidated financial statements also include the group's share of net profit for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. This financial statement has been audited by other auditors whose reports have been furnished to us by the management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the auditors.

Our opinion on consolidated financial statements, and our report on other legal and regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statement certified by the management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries and the associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report

are in agreement with the books of account maintained forth purpose of preparation of the consolidated IndAS financial statements;

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate, none of the directors of the Group's companies or its associates incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate, refer to our separate Report in "Annexure "to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and its associates to their directors in accordance with the provisions of section 197 read with Schedule V of the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements - Refer Note 48 to the consolidated IndAS financial statements;
  - ii. The Group, and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries or its associates during the year ended March 31, 2021.

For **Mohan Gupta & Company**  
**Chartered Accountants**  
Firm's Registration Number:-0006519N

**CA Himanshu Gupta**  
Partner  
Membership Number- 527863  
Place: New Delhi  
Date: 28-06-2021  
UDIN: 21527863AAAAHQ2532

## Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of **M/s. Avonmore Capital & Management Services Limited** as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Avonmore Capital & Management Services Limited** (hereinafter referred to as the "holding company") and its subsidiary companies, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

internal financial controls over financial reporting with reference to these consolidated financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, the Holding Company, and its subsidiary companies, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mohan Gupta & Company**  
**Chartered Accountants**  
Firm's Registration Number:-0006519N

**CA Himanshu Gupta**  
Partner

Place: New Delhi  
Date: 28-06-2021  
UDIN: 21527863AAAAHQ2532

Membership Number- 527863

**Consolidated Balance Sheet as at March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	1,759.53	2,494.21
Bank balances other than above	4	1,900.05	1,068.17
Receivables			
Trade receivables	5	2,854.91	2,602.99
Other receivables	6	52.62	54.82
Inventories	7	620.40	188.03
Loans	8	4,801.07	3,837.92
Investments	9	1,600.03	1,070.24
Investment in associates accounted by using equity method	55	5,680.81	3,459.71
Other financial assets	10	1,198.10	1,141.39
		<b>20,467.52</b>	<b>15,917.48</b>
<b>Non-financial assets</b>			
Inventories	11	7.68	11.94
Income tax assets	12	458.79	1,130.22
Deferred tax assets	13	675.12	736.36
Property, plant and equipment	14	620.23	683.46
Investment property	15	5,144.82	5,221.72
Goodwill	16	28.74	28.74
Other intangible assets	17	31.28	49.68
Right-of-use assets	18	393.76	695.54
Other non-financial assets	19	3,117.34	3,127.22
		<b>10,477.76</b>	<b>11,684.88</b>
<b>Total Assets</b>		<b>30,945.28</b>	<b>27,602.36</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables	20	440.26	424.32
Other payables	21	1,570.63	735.34
Borrowings other than debt securities	22	1,515.46	1,896.16
Lease liabilities	23	487.48	792.36
Other financial liabilities	24	1,924.97	1,924.99
		<b>5,938.80</b>	<b>5,773.17</b>
<b>Non-financial liabilities</b>			
Income tax liabilities	25	112.15	5.78
Deferred tax liabilities	26	5.54	14.32
Provisions	27	244.66	241.42
Other non-financial liabilities	28	297.51	303.09
		<b>659.86</b>	<b>564.61</b>
<b>Equity</b>			
Equity share capital	29	2,492.17	2,492.17
Other equity	30	14,866.17	12,604.68
Non-controlling interest		6,988.28	6,167.73
		<b>24,346.62</b>	<b>21,264.58</b>
<b>Total Liabilities and Equity</b>		<b>30,945.28</b>	<b>27,602.36</b>

Summary of significant accounting policies  
The accompanying notes form an integral part of these financial statements.

1 & 2

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHQ2532

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

**Consolidated Profit and Loss for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
<b>Revenue from operations</b>			
Interest income	31	803.51	629.82
Dividend income	32	354.83	570.64
Fees and commission income	33	4,598.90	5,401.74
Net gain on fair value changes	34	524.84	18.91
Other operating income	35	472.52	176.82
		<b>6,754.60</b>	<b>6,797.92</b>
<b>Other income</b>	36	447.09	420.79
		<b>447.09</b>	<b>420.79</b>
<b>Total Income</b>		<b>7,201.70</b>	<b>7,218.71</b>
<b>Expenses</b>			
Finance costs	37	239.98	197.07
Fees and commission expense	38	2,327.79	1,916.50
Net loss on fair value changes	39	-	53.24
Impairment on financial instruments	40	106.99	51.16
Purchase of stock in trade	41	3.94	9.57
Changes in inventories of stock-in-trade	42	4.10	-0.69
Employee benefits expenses	43	1,993.54	2,698.76
Depreciation and amortisation	44	275.17	351.08
Other expenses	45	1,232.16	1,363.11
<b>Total Expenses</b>		<b>6,183.67</b>	<b>6,639.80</b>
<b>Profit before share of net profit of investments accounted for using equity method and tax</b>		<b>1,018.02</b>	<b>578.91</b>
Share of net profit of associates accounted for using equity method	55	2,221.10	1,042.19
<b>Profit before tax</b>		<b>3,239.13</b>	<b>1,621.10</b>
<b>Tax expense</b>			
Income tax	57	311.76	86.70
Income tax for earlier years	57	(78.26)	(52.32)
MAT credit/(entitlement)	57	-	(136.94)
Deferred tax charge	57	27.89	(81.61)
		<b>261.39</b>	<b>(184.17)</b>
		<b>2,977.74</b>	<b>1,805.27</b>
<b>Profit after tax</b>			
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of defined benefit plans	57	80.54	100.04
- Income tax relating to these items		(22.51)	(28.44)
<b>Other comprehensive income for the year</b>		<b>58.03</b>	<b>71.60</b>
<b>Total comprehensive income</b>		<b>3,035.77</b>	<b>1,876.87</b>
<b>Profit attributable to:</b>			
Owners of company		2,182.22	1,618.99
Non-controlling interest		795.52	186.28
		<b>2,977.74</b>	<b>1,805.27</b>
<b>Other comprehensive income attributable to:</b>			
Owners of company		33.00	40.72
Non-controlling interest		25.03	30.88
		<b>58.03</b>	<b>71.60</b>
<b>Total comprehensive income attributable to:</b>			
Owners of company		2,215.22	1,659.71
Non-controlling interest		820.55	217.16
		<b>3,035.77</b>	<b>1,876.87</b>
<b>Earnings per equity share (in Rs.):</b>			
-Basic and diluted earning per share	46	<b>8.51</b>	<b>7.32</b>

Summary of significant accounting policies 1 & 2  
The accompanying notes form an integral part of these financial statements.

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHQ2532

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

## Consolidated Statement of Cash Flows for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	3,239.13	1,621.10
	Adjustments for:		
	Depreciation and amortisation of property, plant and equipment and intangibles	101.40	113.94
	Depreciation on investment property	78.18	76.03
	Prior Period impact directly attributed in Other Equity	(10.11)	
	Provision for employee benefits	84.48	144.98
	Dividend	(354.83)	(570.64)
	Impairment on financial instruments	106.99	51.16
	ESOP reserve	56.38	38.50
	Net gain on fair value changes	(524.84)	34.33
	Loss/(Gain) on sale of investment in shares	221.76	113.77
	Liabilities written back	(33.10)	(10.24)
	Provisions written back	(49.30)	(84.48)
	Interest received on income tax refund	(132.97)	(28.81)
	Impact of Lease Liability/Right to use asset ( including related Interest & Amortisation Cost)	(3.10)	96.82
	Finance costs	239.96	104.63
	Balance written off	263.20	-
	Share of profit in associate	(2,221.10)	(1,042.19)
	<b>Operating profit before working capital changes</b>	<b>1,062.13</b>	<b>658.90</b>
	<b>Movement in working capital</b>		
	Decrease/(increase) in trade and other receivables	(619.91)	657.72
	(Increase) in loan	(963.14)	1,716.27
	Decrease/(increase) in other bank balances	(831.88)	95.72
	Decrease/(increase) in other financial assets	(56.70)	73.30
	Decrease/(increase) in inventories	(428.11)	(123.83)
	Decrease/(increase) in other non-financial assets	9.89	(775.27)
	Increase/(decrease) in trade and other payables	884.33	(441.70)
	Increase/(decrease) in other financial liabilities	(0.02)	143.93
	Increase/(decrease) in other non-financial liabilities	(5.57)	(106.12)
	Increase/(decrease) in provisions	48.60	(130.30)
	<b>Cash generated from/ (used in) operations</b>	<b>(900.38)</b>	<b>1,768.62</b>
	Less: Income Tax Paid (net of refunds)	544.31	(333.04)
	<b>Net cash inflow from/ (used in) operating activities (A)</b>	<b>(356.07)</b>	<b>1,435.58</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	(Payments for)/proceeds from property, plant and equipment, intangible assets and CWIP	(19.78)	(30.33)
	(Payments for)/proceeds from investment property	(1.28)	69.43
	Movement in non-controlling interest		
	Receipt of interest	132.97	28.81
	Dividend Income	354.83	570.64
	Investments made	(226.70)	(278.66)
	<b>Net cash inflow from/ (used in) investing activities (B)</b>	<b>240.04</b>	<b>359.90</b>

**Consolidated Statement of Cash Flows for the year ended March 31, 2021 Cont...**

(All amounts are in Rupees in Lac, unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C</b>	<b>Cash flows from financing activities</b>		
	Finance cost	(239.99)	(247.07)
	Proceeds from borrowings (net)	(378.65)	(371.66)
	<b>Net cash inflow from/ (used in) financing activities (C)</b>	<b>(618.64)</b>	<b>(618.73)</b>
	<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(734.67)</b>	<b>1,176.75</b>
	Cash and cash equivalents at the beginning of the year	2,494.20	1,317.45
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,759.53</b>	<b>2,494.20</b>
	<b>Notes to statement of cash flows</b>		
<b>(i)</b>	<b>Components of cash and bank balances (refer note 3 and 4)</b>		
	Cash and cash equivalents		
	- Cash on hand	131.31	155.20
	- Deposits with bank (less than 3 months)	-	5.00
	- Balances with banks in current account	1,628.23	2,334.01
	- Cheques on hand	-	-
	Other bank balances		
	- Deposits with bank under lien	-	-
	- Deposits with bank (more than 3 but less than 12 months)	-	-
	- Deposits with bank (more than 12 months)	-	-
	<b>Cash and bank balances at end of the year</b>	<b>1,759.53</b>	<b>2,494.21</b>

- (ii) There are no reconciliation items between the opening and closing balances in the balance sheet for liabilities arising from financing activities.
- (iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, as applicable.
- (iv) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 60.

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHQ2532

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

Place: New Delhi  
Date: 28 June-2021

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Consolidated Statement of Changes in Equity for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**A. Equity share capital**

Balance as at April 1, 2019	2,492.17
Change in equity share capital during 2019-20	-
<b>Balance as at March 31, 2020</b>	<b>2,492.17</b>
Change in equity share capital during 2020-21	-
<b>Balance as at March 31, 2021</b>	<b>2,492.17</b>

**B. Other equity**

Particulars	Attributable to equity holders of the holding company							Total	Attributable to non-controlling interests
	Reserves & surplus						Items of other comprehensive income		
	Securities premium	Special reserve	Capital reserve	ESOP reserve	Retained earnings	Other consolidation / Lease adjustments			
<b>Balance as at April 1, 2019</b>	<b>2,564.18</b>	<b>882.77</b>	<b>3,905.00</b>	-	<b>3,557.30</b>	<b>0.00</b>	<b>-2.78</b>	10,906.47	<b>5,950.59</b>
Profit for the year	-	-	-	-	1,619.00	-	-	1,619.00	-
Other comprehensive income	-	-	-	-	-	-	40.72	40.72	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>1,619.00</b>	-	<b>40.72</b>	<b>1,659.72</b>	-
Adjustments during the year	-	-	-	-	-	-	-	-	217.14
Transfer from retained earnings	-	39.75	-	38.50	-39.75	-	-	38.50	-
<b>Balance as at March 31, 2020</b>	<b>2,564.18</b>	<b>922.52</b>	<b>3,905.00</b>	<b>38.50</b>	<b>5,136.55</b>	<b>0.00</b>	<b>37.93</b>	<b>12,604.68</b>	<b>6,167.73</b>
Profit for the year	-	-	-	-	2,182.22	-	-	2,182.22	-
Other comprehensive income	-	-	-	-	-	-	33.00	33.00	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>2,182.22</b>	-	<b>33.00</b>	<b>2,215.22</b>	-
Adjustments during the year	-	-	-	56.38	-	-10.11	-	46.27	790.57
Transfer from retained earnings	-	32.90	-	-	-32.90	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,564.18</b>	<b>955.41</b>	<b>3,905.00</b>	<b>94.88</b>	<b>7,285.87</b>	<b>-10.10</b>	<b>70.93</b>	<b>14,866.17</b>	<b>6,988.28</b>

Per our report of even date.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

**Himanshu Gupta**  
Partner  
Membership No.: 527863

UDIN - 21527863AAAAHQ2532

Place: New Delhi  
Date: 28 June-2021

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

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

**Shilpa Bhatia**  
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**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

**Notes to consolidated financial statements for the year ended March 31, 2021**

**Reporting Entity**

The Avonmore Group is involved in the business of providing loans and advances to corporations, providing professional advisory and consultancy services in the areas of equity and debt capital markets, private equity and M&A, infrastructure advisory, equity broking and wealth management, debt portfolio management services and distribution, providing commodity trading platform at MCX and NCDEX to retail and corporate sectors, providing technical and consultancy services in the areas of management, engineering, industrial, technical and financial for infrastructure sectors, receiving brokerage and commission by providing services in the above mentioned sectors, real estate services, health care activities, providing diagnostic and treatment services across all spectrums of eye disorders.

The company along with its subsidiaries its associates have been collectively hereinafter referred to as “the Group”.

**1. Basis of preparation**

**(i) Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Parent company and all its subsidiaries (from the date control is gained, being the

entities that it controls). Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those return through its power over the investee. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company.

Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the parent company

The financial statements of subsidiaries acquired or disposed-off during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements.

The consolidated financial statements related to Avonmore Capital & Management Services Limited hereinafter referred to as the “Company” and its subsidiaries and its associates together hereinafter referred to as the “Group” comprises the following:

Name of the Company	Date of Incorporation	Country of Incorporation	% of voting power held as at	
			March 31, 2021	March 31, 2020
<b>Subsidiaries</b>				
Almondz Global Securities Limited	June 28, 1994	India	56.87%	56.87%
Almondz Infosystem Private Limited	December 31, 2012	India	100%*	100%*
Red Solutions Private Limited	August 09, 2012	India	100%*	100%*
Apricot Infosoft Private Limited	March 21, 2014	India	100%*	100%*
Avonmore Developers Private Limited	June 04, 2013	India	100%*	100%*
Glow Apparels Private Limited	January 24, 2012	India	100%*-	100%*-
Anemone Holdings Private Limited	July 17, 2014	India	100%*	100%*
<b>Associates</b>				
Willis Towers Watson India Brokers Private Limited	December 06, 1996	India	26%	26%
Almondz Insolvency Resolutions Services Private Limited	October 4, 2017	India	33.33%	33.33%
Premier Alcobev Private Limited	May 25, 2007	India	50%*	50%*

\* including shares of beneficial interest through other persons.

**(ii) Statement of compliance with Indian Accounting Standards:**

These Ind AS financial statements (“the Financial Statements”) have been prepared in accordance with the Indian Accounting Standards (‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has

uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended March 31, 2021 are the financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the RBI.

The financial statements for the year ended March 31, 2021 were authorised and approved for issue by the Board of Directors on 28, June 2021.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

The significant accounting policies adopted for preparation and presentation of these financial statements are included in Note 2. These policies have been applied consistently.

### (iii) Financial and non-financial classification

All assets and liabilities have been classified and presented on the basis of liquidity as financial or non-financial as permitted by Division III of Schedule III to the Act.

### (iv) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

### (v) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

### (vi) Use of estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

#### **Significant management judgements**

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Business model assessment** - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of

assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contract.

**Expected credit loss (ECL)** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements regarding the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### **Significant estimates**

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on several underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

### 2.1 Summary of significant accounting policies

#### (i) Stock-in-trade

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Goods are valued at lower of cost or net realisable value. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost is determined using FIFO method of inventory valuation.

Consumables are valued at lower of cost or net realisable value.

#### (ii) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

#### (iii) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

#### (iv) Provisions for standard and non-performing assets

Provisions for standard and non-performing assets are created in accordance with the Non-Banking Financial (Non-

Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Further, specific provisions are also created based on the management's best estimate of the recoverability of non-performing assets.

#### (v) Property, plant and equipment

##### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

##### Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down value method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Plant and machinery	15 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Vehicles	8-10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

##### De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

##### Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

property, plant and equipment. Assets which are not ready for intended use are also shown under capital work-in-progress.

### (vi) Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including license fees paid, import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of specific life from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### (vii) Revenue from operations

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Group disaggregates revenue from contracts with customers by industry verticals and nature of services .

Revenue from related parties is recognised based on transaction price which is at arm's length.

#### Loans advanced/Interest bearing securities and deposits

Revenues are recognised as earned on a day-to-day basis.

In case of interest on investments held as stock in trade, broken period interest on every purchase or sale is split from the price as accrued interest paid or realised. Such broken period accrued interest paid on purchase and received subsequently on its sale is netted and reckoned as income.

#### Advisory and consultancy services

Fee 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.

#### Wealth/broking activities

Income from broking on distribution operations is recognised on the closure of the issue of mutual funds, bonds, fixed deposits and other money market instruments. Income from stock broking operations is accrued on completion of

transaction at the stock exchanges for commission from broking operations.

In the case of trading in bonds, the profit/ loss from the transaction is recognised on the closure of the deal and consequent delivery of the bond.

Income from investment banking activities and other fees is recognised as and when such services are completed / performed and as per terms of agreement with the client (i.e. when the performance obligation is completed).

Income from depository operations is accounted when the performance obligation is completed.

Commission (net of taxes and other statutory charges) income from distribution of financial products is recognised based on mobilisation and intimation received from clients/ intermediaries or over the period of service after deducting claw back as per the agreed terms.

Brokerage and other revenue from operations are recognised net of GST wherever applicable.

#### Trading activities

In the case of trading in bonds, the profit/ loss from the transaction is recognised on the closure of the deal and consequent delivery of the bond.

Revenue on account of trading in shares is recognised on the basis of each trade executed at the stock exchange during the financial year.

In respect of non-delivery based transactions such as derivatives and intraday, the profit and loss is accounted for at the completion of each settlement, however in case of an open settlement the net result of transactions which are squared up on FIFO basis is recognised as profit/loss in the account.

#### Eye services

Revenue from eye care services is recognised in the profit and loss over the period of service in proportion to the stage of completion of the services at reporting date.

Fee is recorded at invoice value, net of discounts and taxes if any.

#### Income from non-performing assets

Income from non-performing assets is recognised as per the guidelines of the RBI on prudential norms for income recognition of NBFCs.

#### Penal interest on delayed payments

They are recognised on cash basis.

#### Professional fees

Revenue from brokerage and other revenues from operation are recognised upon transfer of control of promised service to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Revenue from commission

Revenue in respect of commissions received is recognised in profit and loss over the period of contract in proportion to the stage of completion of the services at the reporting date. The stage of completion is assessed as per the terms of the agreement. Fee is recorded at invoice value, net of discounts and taxes, if any.

### Interest income

Under Ind AS 109 interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed:

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in the Statement of profit and loss with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

### Net gain on fair value changes

Any differences between the fair values of financial assets (including investments, derivatives and stock in trade) classified as fair value through the profit or loss ("FVTPL") (refer Note 53), held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

However, net gain / loss on de-recognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of profit and loss.

### Other interest income

Other interest income is recognised on time proportion basis considering the amount outstanding and the rate applicable.

### Dividend

Revenue is recognised when the Group's right to receive payment is established by the balance sheet date.

### Other revenue

In respect of other heads of income, the Group follows the practice of recognising income on accrual basis.

### (viii) Expenses

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 respective expenses.

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

### (ix) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use, are capitalised. Borrowing costs consists of interest and other cost that the Group incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

### (x) Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

### (xi) Employee benefits

#### Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### Defined contribution plans

The Group has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the Statement of Profit and Loss.

#### Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and last drawn salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less

the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

#### Other long-term employee benefits

The Group also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plans. Liability in respect of compensated absences becoming due and expected to avail after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

### (xii) Leases

#### Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

### (xiii) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (xiv) Foreign currency

#### Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the

closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

### (xv) Impairment of assets

#### a) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset required, the Group estimates the assets recoverable amount. An asset's recoverable is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of profit and loss is measured by the amount by which the carrying amount value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in prior years.

#### b) Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Group applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

For all other financial assets, expected credit loss are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of profit and loss.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### (xvi) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Non-derivative financial assets

##### Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also de-recognise the financial asset and recognise separately

as assets or liabilities any rights and obligations created or retained in the transfer.

#### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### First loss default guarantee

First loss default guarantee contracts are contracts that require the Group to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of an agreement. Such financial guarantees are given to banks and financial institutions, for whom the Group acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 75-90 days in respect to agreements with banks and financial institutions.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (xvii) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the CODM.

### (xviii) Share based payment

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the parent company to

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

whole-time directors and employees of the parent company. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

### **(xix) Equity investment in subsidiaries**

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

### **(xx) Government grants**

Grants and subsidies from the government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them, and
- (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

### **2.2 Standards issued but not yet effective**

There are no standards or amendments issued on or before March 31, 2021 and not yet effective, which may have any material impact on the financial statements of the Group.

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**3 Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
Cash on hand	131.30	155.20
Balances with banks		
-Balance with banks in current accounts	1,628.23	2,334.01
- Cheques on hand	-	-
-Term deposits with maturity of 3 months or less	-	5.00
	<b>1,759.53</b>	<b>2,494.21</b>

**4 Bank balances other than cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
Term deposits with remaining maturity more than 3 months upto 12 months	1,411.97	637.81
Term deposits with remaining maturity more than 12 months	488.08	430.36
Term deposits with remaining maturity more than 12 months	-	-
Balances in unpaid dividend account	-	-
	<b>1,900.05</b>	<b>1,068.17</b>

**5 Trade receivables**

	As at March 31, 2021	As at March 31, 2020
<b>Secured, considered good</b>		
Receivables	801.54	715.34
<b>Unsecured, considered good</b>		
Receivables	1,588.85	1,453.91
Interest accrued on		
-Loans	464.52	433.74
Credit impaired	262.30	197.02
Less: Allowance for impairment	(262.30)	(197.02)
	<b>2,854.91</b>	<b>2,602.99</b>

**Footnotes:**

(i) Trade receivable are normally received within the group's operating cycle.

(ii) The group's exposure to credit and risk and loss allowances related to trade receivables are disclosed in note 52.

**6 Other receivables**

	As at March 31, 2021	As at March 31, 2020
From related parties	-	-
From others	52.62	54.82
	<b>52.62</b>	<b>54.82</b>

**7 Inventories**

	As at March 31, 2021	As at March 31, 2020
<b>At fair value through profit or loss</b>		
Equity shares - quoted	93.58	12.37
Bonds	526.82	175.66
	<b>620.40</b>	<b>188.03</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees in Lac, unless otherwise stated)*
**8 Loans**

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Loans to		
-Staff	10.81	21.84
-Related parties	501.22	114.96
-others	4,289.38	3,702.12
<b>Less: Impairment loss allowance</b>	(0.34)	(1.00)
	<b>4,801.07</b>	<b>3,837.92</b>
<b>Out of the above</b>		
Loans in India		
- Public sector	-	-
Less: Impairment loss allowance	-	-
- Others	4,801.41	3,838.92
Less: Impairment loss allowance	(0.34)	(1.00)
<b>Total in India</b>	<b>4,801.07</b>	<b>3,837.92</b>
Loans outside India	-	-

**9 Investments**

	As at March 31, 2021	As at March 31, 2020
<b>A. Investment in equity instruments (Quoted) (At fair value through Profit or loss)</b>		
Indo Korea Exports Limited	38.96	38.96
Aditya Birla Capital Limited	5.97	4.22
Aptech Limited	6.53	8.86
IRB Invit Fund	26.70	12.80
Sadbhav Infrastructure Project Limited	-	2.56
Unitech Limited	3.32	27.49
Indo Count Industries Limited	493.61	-
Classy Investment Pvt Ltd	185.00	-
ISMT Limited	6.42	1.47
Kirloskar Pneumatic Company. Limited	5.65	38.61
Shaily Engineering Plastics Limited	30.21	7.96
Ritesh Polyster Limited	5.24	5.24
Ecoplast India Limited	0.20	0.20
Vantech Industries Limited	0.30	0.30
Asain Paints Limited	-	1.95
Care Rating Limited	-	3.27
Coal India Limited	-	7.70
GAIL (India) Limited	-	7.66
HDFC Limited	-	3.32
Indian Oil Corporation Limited	-	8.17
Indian Railway Catering and Tourism Corporation	-	0.88
Reliance Industries Limited	-	2.12
	808.11	183.72
Less: Provision for diminution in value of investment	(44.70)	(44.70)
<b>Total - A</b>	<b>763.41</b>	<b>139.02</b>
<b>Investment in equity instruments (Unquoted) (At fair value through Profit or loss)</b>		
Dijit Prognosys Private Limited	3.00	3.00
SKTK Projects Limited (Formerly Shivsati Niketan Limited)	2.60	5.60
Network 1 Media Consultant Pvt. Ltd.	30.00	30.00
Globus Industries & Services Ltd.	1.00	-

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended March 31, 2021**
**Investments...Continued from previous page**
*(All amounts are in Rupees in Lac, unless otherwise stated)*

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Shiivaz Spas & Hospitality Private Limited	2.00	-
Carya Chemicals and Fertilisers Private Limited	195.00	195.00
Yug Infrastructures Private Ltd.	57.00	57.00
New Age Blocks Private Limited	6.76	6.76
Red Solutions Private Limited	29.00	29.00
	326.36	326.36
Less: Provision for diminution in value of investment	(36.00)	(36.00)
<b>Total - B</b>	<b>290.36</b>	<b>290.36</b>
<b>Quoted, at fair value through profit or loss</b>		
8.97% PFC 2028 Bonds	-	169.76
8.37% REC 2028 Bonds	-	158.99
8.56% REC 2028 Bonds	-	278.67
9.10% REC 2029 Bonds	-	11.08
7.35% NHAI 2031 Bonds	-	6.91
8.97% REC Bonds	100.08	-
8.37% REC Bonds	43.44	-
8.62% Haryana Vidhuat Bonds	195.92	-
UP Powe Corp Ltd. Bonds	129.24	-
7.55% REC Bonds	62.14	-
<b>Total - C</b>	<b>530.82</b>	<b>625.42</b>
<b>D. Investment in others, at cost</b>		
National Savings Certificate	0.23	0.23
Less: Provision for diminution in value of investment	(0.23)	(0.23)
Investment in painting and sculptures	15.44	15.44
<b>Total - D</b>	<b>15.44</b>	<b>15.44</b>
<b>Total (A+B+C+D)</b>	<b>1,600.03</b>	<b>1,070.24</b>
<b>Out of the above</b>		
In India	1,600.03	1,070.24
Outside India	-	-

**10 Other financial assets**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Security deposits		
Unsecured, considered good		
-Rented premises	6.82	7.27
-Deposits with stock exchanges	255.70	240.70
-Others	608.05	608.24
Less: Provision for doubtful security deposits	-	-
Other receivable	275.80	189.16
<b>Interest accrued on</b>		
-Fixed deposits	33.21	78.00
-Bonds and securities	18.52	18.02
	<b>1,198.10</b>	<b>1,141.39</b>

The group's exposure to credit risk is disclosed in note 52.

**11 Inventories**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>At cost</b>		
Consumables	7.68	2.45
<b>At cost or NRV whichever is lower</b>		
Shares held as stock in-trade	0.00	9.49
	<b>7.68</b>	<b>11.94</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**12 Income tax assets**

	As at March 31, 2021	As at March 31, 2020
Income tax assets	458.79	1,130.22
	<b>458.79</b>	<b>1,130.22</b>

**13 Deferred tax assets**

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (refer note 57)	407.38	466.48
MAT credit entitlement	267.74	269.88
	<b>675.12</b>	<b>736.36</b>

**14 Property, plant and equipment**

Current year Description	Gross block (at cost)				Accumulated depreciation				Net block As at March 31, 2021
	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at March 31, 2021	
Furniture and fixtures	30.50	3.35	-	33.85	9.80	2.80	-	12.60	21.25
Computers and peripherals	82.39	3.85	-	86.23	50.25	13.61	-	63.86	22.38
Office equipment	54.77	13.67	0.37	68.07	20.95	11.31	0.29	31.97	36.10
Vehicle	73.14	7.82	-	80.96	13.12	12.22	-	25.35	55.62
Leasehold improvements	99.84	-	-	99.84	20.57	11.32	-	31.90	67.94
Plant and Machinery	429.17	-	18.99	410.18	59.77	29.96	9.08	80.65	329.53
Office buildings	29.89	-	-	29.89	1.20	0.60	-	1.80	28.09
Land	59.44	-	-	59.44	-	-	-	-	59.44
<b>Total</b>	<b>859.14</b>	<b>28.69</b>	<b>19.36</b>	<b>868.47</b>	<b>175.67</b>	<b>81.82</b>	<b>9.37</b>	<b>248.13</b>	<b>620.23</b>

Previous year Description	Gross block (at cost)				Accumulated depreciation				Net block As at March 31, 2020
	Cost as at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	
Furniture and fixtures	30.24	0.26	-	30.50	3.48	6.32	-	9.80	20.70
Computers and peripherals	80.97	1.42	-	82.39	24.92	25.33	-	50.25	32.14
Office equipment	53.12	1.65	-	54.77	8.55	12.40	-	20.95	33.82
Vehicle	69.22	-	-3.92	73.14	2.56	10.56	-	13.12	60.02
Leasehold improvements	96.67	3.17	-	99.84	9.48	11.09	-	20.57	79.27
Plant and Machinery	421.67	7.50	-	429.17	29.13	30.64	-	59.77	369.40
Office buildings	29.89	-	-	29.89	0.60	0.60	-	1.20	28.69
Land	59.44	-	-	59.44	-	-	-	-	59.44
<b>Total</b>	<b>841.22</b>	<b>14.00</b>	<b>-3.92</b>	<b>859.14</b>	<b>78.72</b>	<b>96.95</b>	<b>-</b>	<b>175.67</b>	<b>683.46</b>

**Footnotes:**

- (i) The group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020.
- (ii) Please refer note 48 for capital commitments.
- (iii) There are no impairment losses recognised during the year.
- (iv) There are no exchange differences adjusted in Property, Plant & Equipment.

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

*(All amounts are in Rupees in Lac, unless otherwise stated)*

**15 Investment property**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>A. Reconciliation of carrying amount</b>		
<b>Cost or deemed cost</b>		
Opening balance	5,371.83	5,431.36
Additions/(deletions) during the year	-	-59.53
<b>Total carrying amount</b>	<b>5,371.83</b>	<b>5,371.83</b>
<b>Accumulated depreciation</b>		
Opening balance	150.11	74.15
Depreciation / Adjustments during the year	81.99	75.96
	<b>232.10</b>	<b>150.11</b>
<b>Total carrying amount</b>	<b>5,144.82</b>	<b>5,221.72</b>

**B. Amounts recognised the the Statement of profit and loss**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Rental income	204.91	214.78
<b>Profit from investment properties before depreciation</b>	<b>204.91</b>	<b>214.78</b>
Depreciation expense	(81.99)	(75.96)
<b>Profit from investment property</b>	<b>122.92</b>	<b>138.82</b>

**C. Measurement of fair value**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Investment property	5,434.07	5,434.07
	<b>5,434.07</b>	<b>5,434.07</b>

**C. Estimation of fair values**

The group obtains independent valuations for each of its investment property by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that group shall continue to operate and run the assets to have economic utility.

**Valuation technique:**

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied by the group is the price per square metre (sqm).

**Fair value hierarchy:**

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

The valuation techniques and the inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is as follows:

**Valuation technique**

Market method

Investment property consists of commercial office spaces, freehold land and residential flats in various places over India. During the year the Group has valued the investment property at fair value for disclosure purpose.

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

16 Goodwill

	As at March 31, 2021	As at March 31, 2020
Goodwill	28.74	28.74
	<b>28.74</b>	<b>28.74</b>

17 Other intangible assets

Current year		Gross block (at cost)			Accumulated depreciation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at March 31, 2021	As at March 31, 2021
Computer software	76.43	1.18	-	77.61	27.75	19.48	-	47.23	30.37
Website design	0.97	-	-	0.97	0.19	0.09	-	0.29	0.69
Trade mark in process	0.22	-	-	0.22	-	-	-	-	0.22
<b>Total</b>	<b>77.62</b>	<b>1.18</b>	<b>-</b>	<b>78.80</b>	<b>27.94</b>	<b>19.58</b>	<b>-</b>	<b>47.52</b>	<b>31.28</b>

Previous year		Gross block (at cost)			Accumulated depreciation				Net block
Description	As at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	As at March 31, 2020
Computer software	73.92	2.51	-	76.43	10.80	16.95	-	27.75	48.68
Website design	0.97	-	-	0.97	0.09	0.10	-	0.19	0.78
Trade mark in process	0.22	-	-	0.22	-	-	-	-	0.22
<b>Total</b>	<b>75.11</b>	<b>2.51</b>	<b>-</b>	<b>77.62</b>	<b>10.90</b>	<b>17.04</b>	<b>-</b>	<b>27.94</b>	<b>49.68</b>

Footnotes:

- (i) There are no internally generated intangible assets.
- (ii) The group has not carried out any revaluation of intangible assets for the year ended March 31, 2021 and March 31, 2020.
- (iii) There are no other restriction on title of intangible assets.
- (iv) There are no exchange differences adjusted in intangible assets.
- (v) The group has not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

18 Right-of-use assets

	As at March 31, 2021	As at March 31, 2020
Right-of-use assets (refer note 49)	393.76	695.54
	<b>393.76</b>	<b>695.54</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**19 Other non-financial assets**

	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	161.05	157.98
Advance for land		
Advances for rendering services	50.28	121.87
Accrued income	27.43	24.11
Other advances	50.30	60.19
Unbilled debtors	6.04	5.48
Service work in progress	260.86	260.86
Contract assets	137.53	55.07
Prepaid expenses	53.95	62.08
Capital advances for property	2,367.57	2,367.57
Prepaid lease rent	2.33	12.01
	<b>3,117.34</b>	<b>3,127.22</b>

**20 Trade payables**

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- to micro and small enterprises (refer note 50)	-	-
- to others	440.26	424.32
	<b>440.26</b>	<b>424.32</b>

**21 Other payables**

	As at March 31, 2021	As at March 31, 2020
Due to clients	1,570.63	735.34
	<b>1,570.63</b>	<b>735.34</b>

**22 Borrowings other than debt securities**

	As at March 31, 2021	As at March 31, 2020
<b>Secured loans</b>		
From banks		
-Term loan	534.92	781.97
-Vehicle loan	0.46	3.09
-Overdraft from banks	589.69	277.51
From others	378.22	781.93
<b>Unsecured loans</b>		
From related parties		
From others	12.17	51.66
<b>Total borrowings in India</b>	<b>1,515.46</b>	<b>1,896.16</b>

**Outside India**

**Footnotes:**

**(i) Term loan from banks**

Term loan taken by AGSL amounting to Rs. 449.89 lac(March 31, 2020:Rs. 762 lac) is secured by way of equitable mortgage of property at Unit No. 501, Grande Palladium, Kalina, Santacruz East, Mumbai owned by the Group.

The loan is guaranteed by:

- Mr. Navjeet Singh Sobti, Vice Chairman and Managing Director of the AGSL, and
- Corporate guarantee by Avonmore Capital and Management Services Limited.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

The loan carries an interest rate of MCLR for a tenure of 1 year.

The interest rate as at year end is EBLR + 1.50% per annum (previous year 10.35%)

The loan is repayable in 13 equal monthly installments along with interest, with the last installment due on April 30, 2022.

Term loan taken by AGICL amounting to Rs.45.02 (March 31, 2020:57.50 lacs) is repayable in 36 equated monthly installments starting from April 2018 and secured against hypothecation of equipment purchased and collateral security of property No. S-416, Fourth Floor, South Block, Manipal Centre, Dickenson Road, Bangalore-562042 in the name of holding group Almondz Global Securities Limited. The interest rate is 13.25% per annum.

Term loan taken by Skiffle Healthcare Services Limited amounts to Rs. 39.99 lac (March 31, 2020: 52.38 lacs.)

#### (ii) Vehicle loan from banks

Vehicle loans from banks are secured against the hypothecation of concerned vehicles.

Loans are repayable in 24 equal monthly installments along with the interest and carries fixed interest rate from 10.00% to 9.51% per annum.

#### (iii) Overdraft from banks

The overdraft limit of Rs.77.54 lac ( previous year Rs.81 lacs is secured by way of pledged fixed deposits with IDBI Bank Limited, the rate of interest of which is 8.15% per annum.

The overdraft limit of Rs. 5 lacs is secured by way of pledged fixed deposits with Vijaya Bank, the rate of interest of which is 8.5% per annum.

The overdraft limit of Rs. 12.50 crore is secured by way of bonds pledged with Axis Bank, the rate of interest of which is 10.05% per annum.

Cash Credit facility of Rs.131.36 lac from Union Bank of India is secured against hypothecation of Book Debts. This facility is secured against collateral security of property at 501, 5th floor, north section in building known as grandepalladium, 175, C.S.T. Road, Kalina, Santacruz (E), Mumbai. This facility is corporate guaranteed by its holding company Almondz Global Securities Limited and personal guarantee by Mr. Navjeet Singh Sobti (Managing director of AGSL). The sanctioned limit is Rs.500.00 lacs and the interest rate is 10.30% p.a.

Overdraft limit of Rs. 370.86 lac is secured by way of bonds pledged with Axis Bank, the rate of interest rate one year MCLR +2.25% pa. ( payable monthly ).

#### (iv) Secured loan from others

Loan from Diamler Financial Services India Private Limited to AGICL is repayable in 47 equated monthly installments from May 2017 and hypothecated against vehicle purchased. The last installment is due on March 3, 2021. The interest rate is 10.0195% per annum.

#### (v) Unsecured loans from related parties

Loans are repayable on demand along with the interest and carries an interest rate of 9% to 12% per annum.

### 23 Lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 49)	487.48	792.36
	<b>487.48</b>	<b>792.36</b>

### 24 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Interest accrued on borrowings	126.00	137.52
Security deposits	123.74	93.31
Unpaid dividends	-	-
Payables for property, plant and equipment	0.54	0.54
Payable for purchase of investments	-	-
Other payable	1,438.25	1,400.10
Liability for non-cumulative preference shares	-	-
Book overdraft	-	-
Employee related payables	236.44	293.52
	<b>1,924.97</b>	<b>1,924.99</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**25 Income tax liabilities**

	As at March 31, 2021	As at March 31, 2020
Income tax liabilities	112.15	5.78
	<b>112.15</b>	<b>5.78</b>

**26 Deferred tax liabilities**

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities (refer note 57)	5.54	14.32
	<b>5.54</b>	<b>14.32</b>

**27 Provisions**

	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Provision for gratuity	198.24	199.67
Provision for compensated absences	28.25	29.40
<b>Other provisions</b>		
Contingent provisions for standard assets	18.17	12.35
	<b>244.66</b>	<b>241.42</b>

**28 Other non-financial liabilities**

	As at March 31, 2021	As at March 31, 2020
Rent equalisation reserve	-	0.77
Statutory dues payable	285.00	301.08
Deferred income	12.52	1.23
	<b>297.51</b>	<b>303.09</b>

**29 Equity share capital**

	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
3,00,00,000 equity shares of Rs. 10 each	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
2,42,70,900 equity shares of Rs. 10 each	2,492.17	2,492.17
<b>Add: Issued during the year</b>	-	-
	<b>2,492.17</b>	<b>2,492.17</b>

**a) Terms and rights attached to equity shares**

**Voting**

Each holder of equity shares is entitled to one vote per share held.

**Dividends**

The group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

During the year ended March 31, 2021, the group has recorded per share dividend of Rs. Nil (previous year Nil) to its equity holders.

**Liquidation**

In the event of liquidation of the group, the holders of equity shares shall be entitled to receive all of the remaining assets of the group, after distribution of all preferential amounts, if any.

Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

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(All amounts are in Rupees in Lac, unless otherwise stated)

**b) Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of year	2,42,70,900	2,427.09	2,42,70,900	2,427.09
Add: Shares forfeited during the year	13,79,380	65.08	13,79,380	65.08
<b>Outstanding at the end of the year</b>	<b>2,56,50,280</b>	<b>2,492.17</b>	<b>2,56,50,280</b>	<b>2,492.17</b>

**c) Details of shareholders holding more than 5% of the holding company**

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Innovative Money Matters Private Limited	90,53,010	37.30%	90,53,010	37.30%
Navjeet Singh Sobti	20,76,315	8.55%	20,76,315	8.55%
Rakam Infrastructures Private Limited	36,74,566	15.14%	25,40,287	10.47%

d) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e) No class of shares have been bought back by the group during the period of five years immediately preceding the reporting date.

**30 Other Equity**

	As at March 31, 2021	As at March 31, 2020
<b>a) Securities premium</b>		
Balance at beginning of the year	2,564.18	2,564.18
Additions during the year	-	-
<b>Balance at end of the year</b>	<b>2,564.18</b>	<b>2,564.18</b>
<b>b) Special reserve</b>		
Balance at beginning of the year	922.52	882.77
Additions during the year	32.90	39.75
<b>Balance at end of the year</b>	<b>955.41</b>	<b>922.52</b>
<b>c) Capital reserve</b>		
Balance at beginning of the year	3,905.00	3,905.00
Addition/(deletion) during the year		
<b>Balance at end of the year</b>	<b>3,905.00</b>	<b>3,905.00</b>
<b>d) Employee stock option reserve</b>		
Balance at beginning of the year	38.50	-
Additions during the year	56.38	38.50
<b>Balance at end of the year</b>	<b>94.88</b>	<b>38.50</b>
<b>e) Retained earnings</b>		
Balance at beginning of the year	5,136.55	3,557.30
Add: Profit/(loss) for the year	2,182.22	1,619.00
Less: Transfer to special reserve	(32.90)	(39.75)
Other consolidation / Lease adjustments	(10.11)	-
Adj for Deemed Eq		

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

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(All amounts are in Rupees in Lac, unless otherwise stated)

**30 Other Equity**

	As at March 31, 2021	As at March 31, 2020
<b>Balance at end of the year</b>	<b>7,275.77</b>	<b>5,136.55</b>
<b>f) Other comprehensive income</b>		
Balance at beginning of the year	37.93	-2.78
Add: Other comprehensive income for the year	33.00	40.72
<b>Balance at end of the year</b>	<b>70.93</b>	<b>37.93</b>
<b>Total Other equity</b>	<b>14,866.17</b>	<b>12,604.68</b>

**31 Interest income**

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
-loans	699.74	476.61
-bank deposits	70.59	104.90
-fixed deposits with stock exchanges	33.18	40.79
Interest on non-performing assets written back	-	7.53
<b>Less: Interest reversed on non performing assets</b>	<b>-</b>	<b>-</b>
	<b>803.51</b>	<b>629.82</b>

**32 Dividend income**

	Year ended March 31, 2021	Year ended March 31, 2020
Dividend income	354.83	570.64
	<b>354.83</b>	<b>570.64</b>

**33 Fees and commission income**

	Year ended March 31, 2021	Year ended March 31, 2020
Advisory and consulting activities	3,722.04	4,420.13
Broking activities	876.86	981.61
	<b>4,598.90</b>	<b>5,401.74</b>

**34 Net gain on fair value changes**

	Year ended March 31, 2021	Year ended March 31, 2020
On financial instruments designated at fair value through profit or loss	524.84	18.91
	<b>524.84</b>	<b>18.91</b>

**35 Other operating income**

	Year ended March 31, 2021	Year ended March 31, 2020
On trading portfolio		
-Shares	4.64	-24.61
-Securities/bonds	398.05	146.71
-Derivatives	15.57	-63.53
Sale of spectacles	15.06	28.18
Delayed payment charges	39.20	90.07
	<b>472.52</b>	<b>176.82</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

*(All amounts are in Rupees in Lac, unless otherwise stated)*

**36 Other income**

	Year ended March 31, 2021	Year ended March 31, 2020
Liabilities written back	33.10	10.24
Provisions written back	49.30	84.48
Bad debts recovered		
Rental income	204.91	214.78
Profit on sale of property	-	9.97
Gain on sale of investment in shares	-	12.07
Interest income on income tax refund	132.97	28.81
Miscellaneous income	26.81	60.43
	<b>447.09</b>	<b>420.79</b>

**37 Finance costs**

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses	144.83	160.68
Other borrowing costs	95.15	36.39
	<b>239.98</b>	<b>197.07</b>

**38 Fees and commission expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Brokerage and commission	2,297.64	1,898.39
Membership and subscription expenses	30.16	18.11
	<b>2,327.79</b>	<b>1,916.50</b>

**39 Net loss on fair value changes**

	Year ended March 31, 2021	Year ended March 31, 2020
On financial instruments designated at fair value through profit or loss	-	53.24
	<b>-</b>	<b>53.24</b>

**40 Impairment on financial instruments**

	Year ended March 31, 2021	Year ended March 31, 2020
On trade receivables (refer note 52)	106.99	51.16
	<b>106.99</b>	<b>51.16</b>

**41 Purchase of stock in trade**

	Year ended March 31, 2021	Year ended March 31, 2020
Spectacles	3.94	9.57
	<b>3.94</b>	<b>9.57</b>

**42 Changes in inventories of stock-in-trade**

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	9.49	8.80
Inventories at the end of the year	(5.39)	(9.49)
	<b>4.10</b>	<b>(0.69)</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**43 Employee benefit expenses**

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,833.04	2,430.15
Gratuity	84.48	144.98
Compensated absences	-	0.05
Staff welfare expense	25.34	57.46
Contribution to provident and other funds	50.68	66.12
	<b>1,993.54</b>	<b>2,698.76</b>

**44 Depreciation and amortisation expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on tangible assets (refer note 14)	81.82	96.90
Depreciation on investment property (refer note 15)	81.99	76.03
Amortization of right-of-use assets	91.78	161.12
Amortisation of other intangible assets (refer note 17)	19.58	17.04
	<b>275.17</b>	<b>351.08</b>

**45 Other expenses**

	Year ended March 31, 2021	Year ended March 31, 2020
Legal and professional expenses	162.92	298.31
Rent	72.38	61.49
Auditors' remuneration (refer footnote)	11.47	13.78
Business promotion	9.80	26.06
Charity and donations	-	5.01
Car lease charges	2.16	4.80
Demat Charges	0.02	0.12
Electricity and water expenses	47.23	97.57
Expenditure on CSR activities	1.70	6.58
Insurance charges	18.26	26.96
Rates and taxes	33.81	40.61
Repair and maintenance	95.93	113.18
Printing and stationery	25.36	39.38
Communication expenses	56.25	61.48
Advertisement expenses	1.45	4.26
Loss on error trades	-	-
Net loss on sale on investments	221.76	125.84
Provision for non-performing assets	-	-
Contingent provision for standard assets	-	-
Consumables	14.68	22.26
Balances written off	238.54	41.33
Bad debts written off	24.66	60.82
SEBI and stock exchange fee and charges	17.06	8.10
Site expenses	-	-
Tender expenses	6.49	7.01
Travelling and conveyance	111.78	180.75
Bank charges	30.83	73.26
Miscellaneous expenses	27.59	44.13
	<b>1,232.16</b>	<b>1,363.11</b>

**Footnote:**

<b>Payment of remuneration to auditors (excluding GST)</b>	Year ended March 31, 2021	Year ended March 31, 2020
Statutory audit	10.71	13.02
Other services	0.76	0.76
	<b>11.47</b>	<b>13.78</b>

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

#### 46 Earnings per share

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic and diluted earnings per share</b>		
From continuing operations attributable to the equity holders of the holding company	8.51	7.32
Nominal value per share (in Rs.)	10.00	10.00

#### Footnotes:

##### (a) Profit attributable to the equity holders of the holding company

Profit for the year	2,182.22	1,618.99
	<b>2,182.22</b>	<b>1,876.87</b>

##### (b) Weighted average number of shares used as the denominator

Weighted average number of outstanding equity shares	2,56,50,280	2,56,50,280
	<b>2,56,50,280</b>	<b>2,56,50,280</b>

(c) At present, the group does not have any dilutive potential equity share.

#### 47 Operating segments

##### A Basis of segmentation

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The 'Board of Directors' have been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Board of Directors examines the group's performance both from a product and geographic perspective and have identified the following reportable segments of its business:

The following summary describes the operations in each of the group's reportable segments:

##### Reportable segments / Operations

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

##### B Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**For the year ended March 31, 2021**

	Reportable segment							Total
	Debt and equity market operations	Consultancy and advisory fees	Wealth Advisory / Broking activities	Finance activities	Investment activities	Healthcare activities	Others	
- Segment revenue	955.00	3,665.00	934.00	741.00	390.00	100.00	24.00	6,809.00
- Inter segment revenue	-	-	-	-	-	-	-	-
<b>Revenue from external customers</b>	955.00	3,665.00	934.00	741.00	390.00	100.00	24.00	6,809.00
<b>Segment profit before tax</b>	514.00	45.00	65.00	209.00	277.00	(120.00)	3.00	993.00
<b>Segment assets</b>	1,950.00	3,657.00	2,663.00	7,299.00	6,428.00	463.00	2,060.00	24,520.00
<b>Segment liabilities</b>	376.00	1,361.00	1,772.00	90.00	-	181.00	67.00	3,847.00

**For the year ended March 31, 2020**

	Reportable segment							Total
	Debt and equity market operations	Consultancy and advisory fees	Wealth Advisory / Broking activities	Finance activities	Investment activities	Healthcare activities	Others	
- Segment revenue	(28.00)	4,136.00	1,158.00	600.00	591.00	342.00	9.00	6,808.00
- Inter segment revenue	-	-	-	-	-	-	-	-
<b>Revenue from external customers</b>	(28.00)	4,136.00	1,158.00	600.00	591.00	342.00	9.00	6,808.00
<b>Segment profit before tax</b>	(306.00)	126.00	27.00	162.00	584.00	(8.00)	6.00	591.00
<b>Segment assets</b>	971.00	3,555.00	2,068.00	7,287.00	6,432.00	673.00	2,052.00	23,038.00
<b>Segment liabilities</b>	96.00	1,357.00	1,022.00	239.00	-	311.00	19.00	3,044.00

**C Reconciliations of information on reportable segments**

**i). Revenues**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Total revenue for reportable segments</b>		
Debt and equity market operations	955.00	(28.00)
Consultancy and advisory fees	3,665.00	4,136.00
Wealth Advisory / Broking activities	934.00	1,158.00
Finance activities	741.00	600.00
Investment activities	390.00	591.00
Healthcare activities	100.00	342.00
Others	24.00	9.00
Unallocable	-	-
Inter-segment eliminations	(54.40)	(10.08)
<b>Total revenue</b>	<b>6,754.60</b>	<b>6,797.92</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**ii). Total comprehensive income**

	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Total profit before tax for reportable segments		
Elimination of inter-segment profits	993.00	591.00
Other income	-	-
Unallocated expenses:	(14.00)	3.00
Finance cost	(11.02)	9.09
Other expenses	-	-
<b>Profit before tax</b>	<b>1,018.02</b>	<b>578.91</b>
Share of net profit of associates accounted for using the equity method	2,221.10	1,042.19
Tax expense	261.39	(184.17)
<b>Profit after tax</b>	<b>2,977.74</b>	<b>1,805.27</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	80.54	100.03
Income tax relating to these items	(22.51)	(28.44)
<b>Other comprehensive income for the year</b>	<b>58.03</b>	<b>71.60</b>
<b>Total comprehensive income for the year</b>	<b>3,035.77</b>	<b>1,876.87</b>

**iii). Assets**

	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Total assets for reportable segments</b>		
Debt and equity market operations	1,950.00	971.00
Consultancy and advisory fees	3,657.00	3,555.00
Wealth Advisory / Broking activities	2,663.00	2,068.00
Finance activities	7,299.00	7,287.00
Investment activities	6,428.00	6,432.00
Healthcare activities	463.00	673.00
Others	2,060.00	2,052.00
Unallocable	6,425.28	4,564.37
Inter-segment eliminations	-	-
<b>Total assets</b>	<b>30,945.28</b>	<b>27,602.37</b>

**iv). Liabilities**

	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Total liabilities for reportable segments</b>		
Debt and equity market operations	376.00	96.00
Consultancy and advisory fees	1,361.00	1,357.00
Wealth Advisory / Broking activities	1,772.00	1,022.00
Finance activities	90.00	239.00
Investment activities	-	-
Healthcare activities	181.00	311.00
Others	67.00	19.00
Unallocable	9,739.94	9,461.51
Intersegment eliminations		
<b>Total Liabilities</b>	<b>13,586.94</b>	<b>12,505.51</b>

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

#### 48 Contingent liabilities, contingent assets and commitments

##### A Contingent liabilities

	As at March 31, 2021	As at March 31, 2020
Show cause notice for Service Tax Demand in relation to the financial year ended March 31, 2007 till the financial year ended March 31, 2008.(Appeal filed with Service Tax Tribunal R.K. Puram, New Delhi. Hearing awaited.)	64.44	64.44
Show cause notice for Service Tax Demand in relation to the financial year ended March 31, 2006 till the financial year ended March 31, 2009 (Reply filed with Assistant Commissioner of Service Tax, M G Road, New Delhi. Hearing awaited.)	0.05	0.05
Corporate guarantee issued for Almondz Global-Infra Consultancy Limited to Vijaya Bank	38.75	67.18
Corporate guarantee issued for Almondz Global-Infra Consultancy Limited to Axis Bank	-	7.16
Corporate guarantee issued for Skiffle Healthcare Services Limited.	51.13	66.15
Bank guarantee as on date (net of fixed deposits)	2,390.78	2,044.87
Collateral given to Oriental Bank of Commerce by North Square Projects Private Limited for the loan taken by Premier Alcobev Private Limited	593.88	593.88
Corporate guarantee issued for Almondz Global Securities Limited, a partly-owned subsidiary for working capital limits to Axis Bank	4,050.00	4,050.00
	<b>7,189.03</b>	<b>6,893.73</b>

##### B Commitments

	As at March 31, 2021	As at March 31, 2020
Basic price of Down Payment @ Rs. 10,000 per square feet	199.92	199.92
Electric Connection Charges @ Rs. 150 per square feet	3.00	3.00
IFMS (Maintenance Security) @ Rs. 200 per square feet	4.00	4.00
Contingency Deposit @ Rs. 5 per square feet	0.10	0.10
Less: advance against property	(127.65)	(127.65)
Estimated amount of contracts remaining to be extracted on capital account and not provided for (net of advances)	98.47	64.06
	<b>177.83</b>	<b>143.42</b>

##### C Contingent assets

The group does not have any contingent assets as at March 31, 2021 and March 31, 2020.

#### 49 Leases

The Group has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the group has changed its accounting policy for lease contracts as per Ind AS 116.

The Group is lessee under various operating leases for various properties in various places over India.

The lease terms of these premises range from 1 to 9 years and accordingly are long-term leases. These lease agreements have varying terms and are usually renewable on mutually agreeable terms.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

Disclosure in respect of such operating leases is as given below:

#### Lease liabilities

The movement in lease liabilities during the year ended March 31, 2021 is as follows :

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	792.36	901.18
Lease Liability reduced on changes in Lease Rights	(238.79)	-
Finance cost accrued during the period	43.32	92.44
Payment of lease liabilities	(109.41)	(201.26)
<b>Closing Balance</b>	<b>487.48</b>	<b>792.36</b>

The details of the contractual maturities of lease liabilities as at March 31, 2021 on undiscounted basis are as follows:

	As at March 31, 2021	As at March 31, 2020
Not later than one year	62.16	95.98
Later than one year but not later than five years	382.52	371.07
Later than five years	42.80	325.31
	<b>487.48</b>	<b>792.36</b>

#### Right-of-use (ROU) assets

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows :

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	695.54	856.66
Amortisation of ROU assets	(95.65)	(161.12)
ROU assets reduced on changes in Lease Rights	(206.13)	-
<b>Closing Balance</b>	<b>393.76</b>	<b>695.54</b>

#### 50 Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

#### 51 Corporate Social Responsibility

The board of directors approved CSR policy of the Company at its meeting. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend Rs.2.55 lac on prescribed CSR activities. The Company has spent all for CSR activities amounting to Rs.2.55 lac in accordance with the guidance provided by the Institute of Chartered Accountants of India .

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**52 Fair value measurement and financial instruments**

**a) Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**ii) As at March 31, 2020**

Particulars	Carrying value			Fair value measurement using		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Cash and cash equivalents	-	2,494.21	<b>2,494.21</b>	-	-	-
Bank balances other than above	-	1,068.17	<b>1,068.17</b>	-	-	-
Receivables						
Trade receivables	-	2,602.99	<b>2,602.99</b>	-	-	-
Other receivables	-	54.82	<b>54.82</b>	-	-	-
Inventories	188.03	-	<b>188.03</b>	188.03	-	-
Loans	-	3,837.92	<b>3,837.92</b>	-	-	-
Investments	1,054.80	15.44	<b>1,070.24</b>	764.44	290.36	-
Investment in associates accounted by using equity method	-	3,459.71	<b>3,459.71</b>	-	-	-
Other financial assets	-	1,141.39	<b>1,141.39</b>	-	-	-
<b>Total</b>	<b>1,242.83</b>	<b>14,674.66</b>	<b>15,917.48</b>	<b>952.47</b>	<b>290.36</b>	-
<b>Financial liabilities</b>						
Payables						
Trade payables	-	424.32	<b>424.32</b>	-	-	-
Other payables	-	735.34	<b>735.34</b>	-	-	-
Borrowings other than debt securities	-	1,896.16	<b>1,896.16</b>	-	-	-
Other financial liabilities	-	1,924.99	<b>1,924.99</b>	-	-	-
<b>Total</b>	-	<b>4,980.82</b>	<b>4,980.82</b>	-	-	-

**iii). As at March 31, 2021**

Particulars	Carrying value			Fair value measurement using		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Cash and cash equivalents	-	1,759.53	<b>1,759.53</b>	-	-	-
Bank balances other than above	-	1,900.05	<b>1,900.05</b>	-	-	-
Receivables						
Trade receivables	-	2,854.91	<b>2,854.91</b>	-	-	-
Other receivables	-	52.63	<b>52.63</b>	-	-	-
Inventories	620.40	-	<b>620.40</b>	620.40	-	-
Loans	-	4,801.07	<b>4,801.07</b>	-	-	-
Investments	1,584.59	15.44	<b>1,600.03</b>	1,294.23	290.36	-
Investment in associates accounted by using equity method	-	5,680.81	<b>5,680.81</b>	-	-	-
Other financial assets	-	1,198.10	<b>1,198.10</b>	-	-	-
<b>Total</b>	<b>2,204.99</b>	<b>18,262.53</b>	<b>20,467.52</b>	<b>1,914.63</b>	<b>290.36</b>	-
<b>Financial liabilities</b>						
Payables						
Trade payables	-	440.26	<b>440.26</b>	-	-	-
Other payables	-	1,570.63	<b>1,570.63</b>	-	-	-
Borrowings other than debt securities	-	1,515.46	<b>1,515.46</b>	-	-	-
Lease liabilities	-	487.48	<b>487.48</b>	-	-	-
Other financial liabilities	-	1,924.97	<b>1,924.97</b>	-	-	-
<b>Total</b>	-	<b>5,938.80</b>	<b>5,938.80</b>	-	-	-

**Notes to consolidated financial statements for the year ended March 31, 2021**

*(All amounts are in Rupees in Lac, unless otherwise stated)*

**Level 1:** It includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Valuation processes**

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

**b) Financial risk management**

The group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

**Risk management framework**

The group's Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the group.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the group's activities.

The group has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

**(i) Credit risk**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	1,759.53	2,494.21
Bank balances other than above	1,900.05	1,068.17
Trade receivables	2,854.91	2,602.99
Other receivables	52.63	54.82
Inventories	620.40	188.03
Loans	4,801.07	3,837.92
Investments	7,280.84	4,529.95
Other financial assets	1,198.10	1,141.39

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's credit risk is primarily to the amount due from customer and investments. The Group maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

#### b) Financial risk management (continued)

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty seems partly or fully doubtful to pay its obligations.

Wherever the provision matrix cannot be applied to calculate a default risk rate, the Group creates a provision on a certain percentage of its receivables, following the prudence approach of accounting.

When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade receivables as at year end primarily relate to revenue generated from rendering of services.

Trade receivables are generally realised within the credit period.

This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Group does not anticipate any material credit risk of any of its other receivables.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	197.02	145.86
Impairment loss recognised	65.28	51.16
Balance at the end	<b>262.30</b>	<b>197.02</b>

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs. 3660.59 lac as at March 31, 2021 (March 31, 2020: Rs. 3562.38 lac) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at March 31, 2021	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	440.26	440.26	-	440.26
Other payables	1,570.63	1,570.63	-	1,570.63
Borrowings other than debt securities	1,515.46	315.35	1,200.11	1,515.46
Lease liabilities	487.48	62.16	425.32	487.48
Other financial liabilities	1,924.97	1,801.22	123.74	1,924.97
<b>Total</b>	<b>5,938.80</b>	<b>4,189.62</b>	<b>1,749.18</b>	<b>5,938.80</b>

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

#### b) Financial risk management (continued)

As at March 31, 2020	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	424.32	424.32	-	424.32
Other payables	735.34	735.34	-	735.34
Borrowings other than debt securities	1,896.16	782.39	1,113.77	1,896.16
Lease liabilities	792.36	95.98	696.38	792.36
Other financial liabilities	1,924.99	231.37	1,693.62	1,924.99
<b>Total</b>	<b>5,773.18</b>	<b>2,038.03</b>	<b>3,503.77</b>	<b>5,773.18</b>

The above amounts reflects the contractual undiscounted cash flows which may differ from the carrying value of the liabilities at the reporting date.

#### iii). Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the group mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

#### Exposure to interest rate risk

The group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the group to cash flow interest rate risk. Since there were no borrowings by the Group with floating interest rates, the Group is not exposed to interest rate risk as of the reporting date.

#### Capital Management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The group monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	1,515.46	1,896.16
Less: Cash and cash equivalents	(1,759.53)	(2,494.21)
<b>Adjusted net debt (A)</b>	<b>(244.07)</b>	<b>(598.04)</b>
<b>Total equity (B)</b>	<b>14,866.17</b>	<b>12,604.68</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>(1.64%)</b>	<b>(4.74%)</b>

#### Share-based payment

The Board of Directors at its meeting held January 3, 2008, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Company aggregating to 4,500,000 equity shares of the face value of Rs. 6 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders. The shareholders of the Company vide their special resolution passed through postal ballot on March 4, 2008 approved the issue of equity shares of the Company. The scheme was further amended by the Board of Directors on March 5, 2010 and subsequently by the shareholders of the Company on April 13, 2010 to increase the number of options from 45,00,000 options to 1,50,00,000 options, convertible into equal number of equity shares.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

The compensation committee in its meeting held on 26th August 2019 has allotted 44,00,000 options under series "G" to eligible employees of the company/its subsidiary company. However, options granted under series A to F are exercised or lapsed.

The compensation committee in its meeting held on 14th September 2020 has allotted 3,00,000 options under series "H" to eligible employees of the company/its subsidiary company.

A compensation committee comprising independent members of the Board of Directors administers the scheme.

#### ESOPs to directors of the Company

Particulars	As at March 31, 2021	As at March 31, 2020
Options outstanding at beginning of the period	5,00,000	-
Add: New options granted during the period	-	5,00,000
Less: Options exercised	-	-
Less: Options lapsed	-	-
<b>Options outstanding at end of the period</b>	<b>5,00,000</b>	<b>5,00,000</b>
Options exercisable at end of the period	5,00,000	5,00,000
<b>ESOPs to persons other than directors of the Company</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Options outstanding at beginning of the period	39,00,000	40,000
Add: New options granted during the period	3,00,000	39,00,000
Less: Options exercised	-	-
Less: Options lapsed	(5,00,000)	(40,000)
<b>Options outstanding at end of the period</b>	<b>37,00,000</b>	<b>39,00,000</b>
Options exercisable at end of the period	37,00,000	39,00,000

No option were exercised during last 3 years

#### Details of options outstanding at the year end with the range of exercise price and weighted average remaining contractual life:

Employees entitled	No. of options	Vesting conditions	Weighted contractual life of options (in years)
10	42,00,000	Vesting options would be subject to continued employment with company for two years from date of grant of options	3.50

#### Share-based payment

The Company approved the following grants to select senior level executives of the Company in accordance with the stock option scheme.

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised / Cancelled	Options outstanding
2nd Sep 2019	10	44,00,000	-	44,00,000	(5,00,000)	39,00,000
24th Sep 2020	10	3,00,000	-	3,00,000	-	3,00,000
<b>Total</b>		<b>47,00,000</b>	<b>-</b>	<b>47,00,000</b>	<b>(5,00,000)</b>	<b>42,00,000</b>

#### Fair value of options granted:

The fair value at grant date is determined using the Black Scholes Model. Expected volatility has been determined using historical fluctuation in share issue prices of the Company.

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

Grant date	No. of options granted	Weighted average fair value (in Rs.)
2nd Sep 2019	44,00,000	4.50
24th Sep 2020	3,00,000	4.50

**Range of exercise prices and weighted average remaining contractual life**

Particulars	No. of options granted	Range of exercise prices (in Rs.)	Weighted average exercise price (in Rs.)	Weighted average remaining contractual life (in years)
Outstanding at beginning of the year	44,00,000	26.25	26.25	0
Granted during the year	3,00,000	10	10	3.5
Expired/ cancelled during the year	(5,00,000)	26.25	26.25	0
Exercised during the year	-	-	-	-
Outstanding at end of the year	42,00,000	10	10	3.5
Exercisable at end of the year	-	-	-	-

The weighted average market price of equity shares for options exercised during the year is Rs Nil (previous year Nil).

**Key assumptions used in Black Scholes Model for calculating fair value as on the date of respective grants**

Particulars	As at March 31, 2021	As at March 31, 2020
Dividend yield (%)	0	0
Expected volatility (%)	56.10%	56.10%
Risk-free interest rate (%)	6.16%	6.16%
Weighted average share price (in Rs.)	N.A	N.A
Exercise price (in Rs.)	10	10
Carrying amount of liability-included in employee benefit obligations (Rs. Lac)	-	-

**Expense arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

**Share based payment expenses/(Income)**

	Year ended March 31, 2021	Year ended March 31, 2020
Employee option plan	56.38	38.50
<b>Total employee share-based payment expense/(Income)</b>	<b>56.38</b>	<b>38.50</b>

**55 Interest in other entities**

**(a) Subsidiaries**

The Group's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Entity	Date of Incorporation	Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Almondz Global Securities Limited	June 28, 1994	India	56.87%	56.87%	43.13%	43.13%
Almondz Infosystem Private Limited	December 31, 2012	India	100.00%	100.00%	0.00%	0.00%

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees in Lac, unless otherwise stated)*

Name of the Entity	Date of Incorporation	Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Latitude 23 Communications Limited	September 28, 2005	India	0.00%	100.00%	0.00%	0.00%
Red Solutions Private Limited	August 09, 2012	India	100.00%	100.00%	0.00%	0.00%
Apricot Infosoft Private Limited	March 21, 2014	India	100.00%	100.00%	0.00%	0.00%
Avonmore Developers Private Limited	June 04, 2013	India	100.00%	100.00%	0.00%	0.00%
Glow Apparels Private Limited	January 24, 2012	India	100.00%	100.00%	0.00%	0.00%
Anemone Holdings Private Limited	July 17, 2014	India	100.00%	100.00%	0.00%	0.00%

**Principal activities of group companies**
**Almondz Global Securities Limited**

The Company is engaged in various services including Equity Capital Market, Debt Capital Market, Private Equity and M&A, Infrastructure Advisory, Equity Broking & Wealth Management, Debt Portfolio Management Services and Distribution.

**Almondz Infosystem Private Limited**

The Company is involved in software publishing, consultancy and supply [Software publishing includes production, supply and documentation of ready-made (non-customized) software, operating systems software, business & other applications software, computer games software for all platforms.

**Red Solutions Private Limited**

The Company is involved in sale and leasing of shops, showrooms, restaurants etc.

**Apricot Infosoft Private Limited**

The Company is involved in computer related activities like maintenance of websites, creation of multimedia presentations for other firms.

**Avonmore Developers Private Limited**

The Company is involved in computer related activities [for example maintenance of websites of other firms/ creation of multimedia presentations for other firms etc.]

**Glow Apparels Private Limited**

The Company is involved in manufacture of wearing apparel except fur apparel.

**Anemone Holdings Private Limited**

The Company is involved in activities auxiliary to financial intermediation, except insurance and pension funding. [This Group includes activities involved in or closely related to financial inter-mediation other than insurance and pension funding but not themselves involving financial inter-mediation].

**(b) Associate Companies**

Set out below are the associates of the group as at March 31, 2021 which, in the opinion of the directors, are material to the group.

Name of entity	Date of Incorporation	Country of incorporation	Percentage of ownership interest		Carrying amount	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Willis Towers Watson India Brokers Private Limited (WTWPL)	December 06, 1996	India	26.00%	26.00%	1,844.30	1,001.12
Almondz Insolvency Resolutions Services Private Limited (AIRSPL)	October 4, 2017	India	33.00%	33.00%	121.20	120.68
Premier Alcobev Private Limited (PAPL)	May 25, 2007	India	50%	50%	3,715.31	2,337.90
<b>Total equity accounted investments</b>					<b>5,680.81</b>	<b>3,459.71</b>

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Rupees in Lac, unless otherwise stated)

#### Principal activities of associate entities:

##### Willis Towers Watson India Brokers Private Limited (WTWPL)

The Company provides many services like Insurance broking, risk management and consulting, claim consulting, reinsurance, etc.

##### Almondz Insolvency Resolutions Services Private Limited (AIRSPL)

AIRSPL is registered with Insolvency & Bankruptcy Board of India (IBBI). It consists of Insolvency professionals engaged in various activities which include credit appraisal, debt syndication, debt restructuring, stressed assets management, business management and company due diligence.

##### Premier Alcobev Private Limited (PAPL)

The Company is carrying the activity of distillery and bottling for manufacture and marketing of potable alcohol and country liquor under license from the Government of Himachal Pradesh.

#### i. Significant judgement: existence of significant influence

##### Willis Towers Watson India Brokers Private Limited (WTWPL)

Avonmore Group holds 26% of the ownership interest in the company. It also participates in all significant financial and operating decisions. The Group has therefore determined that it has significant influence over this company.

##### Almondz Insolvency Resolutions Services Private Limited (AIRSPL)

Avonmore Group company, AGSL holds 33% of the ownership interest in the company. It also participates in all significant financial and operating decisions. The Group has therefore determined that it has significant influence over this company.

##### Premier Alcobev Private Limited (PAPL)

Avonmore Group company, North Square Projects P Ltd (Wholly owned subsidiary of AGSL) holds 50% of the ownership interest in the company through North Square Projects Private Limited. The Group has therefore determined that it has significant influence over this company.

#### ii. Summarised financial information for associates

	WTWPL		AIRSPL		PAPL	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Summarised Balance Sheet</b>						
Total assets	16,866.00	11,203.00	144.28	144.28	16,583.24	14,901.85
Total liabilities	9,266.00	5,496.00	66.78	67.30	9,167.75	10,241.17
<b>Net assets</b>	<b>7,600.00</b>	<b>5,707.00</b>	<b>77.50</b>	<b>76.99</b>	<b>7,415.49</b>	<b>4,660.67</b>

#### Summarised Statement of profit and loss

	WTWPL		AIRSPL		PAPL	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	12,725.00	12,100.00	6.64	19.49	22,563.54	23,871.30
Other income	365.00	383.00	6.13	11.08	48.52	43.93
Profit before tax	4,372.00	3,923.00	0.52	3.53	3,155.95	904.84
Tax expense	1,107.00	1,030.00	-	(1.08)	401.40	327.66
<b>Profit for the year</b>	<b>3,265.00</b>	<b>2,893.00</b>	<b>0.52</b>	<b>4.61</b>	<b>2,754.55</b>	<b>577.18</b>
<b>Other comprehensive income</b>	<b>(22.00)</b>	<b>(1.00)</b>	<b>-</b>	<b>0.47</b>	<b>0.27</b>	<b>-0.99</b>
<b>Total comprehensive income</b>	<b>3,243.00</b>	<b>2,892.00</b>	<b>0.52</b>	<b>5.08</b>	<b>2,754.82</b>	<b>576.20</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**(c) Non-controlling interest (NCI)**

Set out below is summarised financial information for the subsidiary that has non-controlling interests that is material to the Group.

**Almondz Global Securities Limited**

<b>Summarised balance sheet</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Financial assets	15,200.25	11,578.13
Non-financial assets	6,161.28	7,259.43
<b>Total assets</b>	<b>21,361.53</b>	<b>18,837.56</b>
Financial liabilities	4,464.29	3,942.81
Non-financial liabilities	521.40	524.91
<b>Total liabilities</b>	<b>4,985.69</b>	<b>4,467.72</b>
<b>Net assets</b>	<b>16,375.84</b>	<b>14,369.83</b>
<b>% of Non controlling interest</b>	43.13%	43.13%
<b>Accumulated NCI</b>	<b>7,062.90</b>	<b>6,197.71</b>
<b>Summarised statement of profit and loss</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Revenue	6,583.83	6,442.32
Profit/(loss) for the year	1,847.16	452.48
Other comprehensive income	56.19	70.92
<b>Total comprehensive income</b>	<b>1,903.35</b>	<b>523.40</b>
Total Comprehensive Income allocated to NCI	820.91	225.74
<b>Summarised cash flow</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Cash flows from operating activities	(356.07)	1,435.58
Cash flows from investing activities	240.04	359.90
Cash flows from financing activities	(620.69)	(618.73)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(736.72)</b>	<b>1,176.76</b>

The amounts mentioned here are before any inter-group eliminations.

**56 Additional information under Schedule III on the entities included in the Consolidated financial statements  
As at March 31, 2021**

Name of Enterprise	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Avonmore Capital & Management Services Limited	32.85%	10,166.61	2.14%	46.73	5.58%	1.84	2.19%	48.57
<b>Subsidiaries</b>								
Almondz Global Securities Limited	52.92%	16,375.84	84.65%	1,847.16	170.27%	56.19	85.92%	1,903.35
Anemone Holdings Private Limited	2.98%	923.40	12.63%	275.62	0.00%	-	12.44%	275.62
Avonmore Developers Private Limited	2.72%	841.39	0.00%	0.00	0.00%	-	0.00%	0.00
Almondz Infosystem Private Limited	0.02%	5.65	0.01%	0.22	0.00%	-	0.01%	0.22

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees in Lac, unless otherwise stated)*

Name of Enterprise	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
Apricot Infosoft Private Limited	0.94%	292.15	(0.02%)	(0.41)	0.00%	-	(0.02%)	(0.41)
Glow Apparels Private Limited	0.86%	266.84	(0.03%)	(0.55)	0.00%	-	(0.03%)	(0.55)
Red Solutions Private Limited	1.62%	500.24	(2.61%)	(57.01)	0.00%	-	(2.57%)	(57.01)
Consolidation Impact	5.08%	1,573.16	3.23%	70.46	(75.85%)	(25.03)	2.05%	45.43
<b>Total</b>	<b>100.00%</b>	<b>30,945.28</b>	<b>100.00%</b>	<b>2,182.22</b>	<b>100.00%</b>	<b>33.00</b>	<b>100.00%</b>	<b>2,215.22</b>

**As at March 31, 2020**

Name of Enterprise	Net assets		Share in profit or (loss)		Share in other comprehensive (loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Avonmore Capital & Management Services Limited	36.66%	10,118.04	4.03%	65.22	1.67%	0.68	3.97%	65.90
<b>Subsidiaries</b>								
Almondz Global Securities Limited	51.99%	14,349.93	26.71%	432.57	174.69%	70.92	30.33%	503.49
Anemone Holdings Private Limited	5.44%	1,501.24	82.53%	1,336.34	0.00%	-	80.51%	1,336.34
Avonmore Developers Private Limited	3.05%	841.40	(0.02%)	(0.26)	0.00%	-	(0.02%)	(0.26)
Almondz Infosystem Private Limited	0.02%	5.43	0.01%	0.13	0.00%	-	0.01%	0.13
Apricot Infosoft Private Limited	1.06%	292.56	(0.01%)	(0.14)	0.00%	-	(0.01%)	(0.14)
Glow Apparels Private Limited	0.97%	267.39	(0.05%)	(0.76)	0.00%	-	(0.05%)	(0.76)
Red Solutions Private Limited	2.02%	556.56	(1.72%)	(27.87)	0.00%	-	(1.68%)	(27.87)
Consolidation Impact	(1.20%)	(330.18)	(11.49%)	(186.24)	(76.36%)	(30.88)	(13.07%)	(217.12)
<b>Total</b>	<b>100.00%</b>	<b>27,602.36</b>	<b>100.00%</b>	<b>1,618.99</b>	<b>100.00%</b>	<b>40.72</b>	<b>100.00%</b>	<b>1,659.71</b>

**57 Income taxes**
**A. Amounts recognised in profit or loss**

	March 31, 2021	March 31, 2020
<b>Income tax expense</b>		
Income tax	311.76	86.70
Income tax for earlier years	(78.26)	(52.32)
MAT credit/(entitlement)	-	(136.94)
	<b>233.49</b>	<b>(102.56)</b>
<b>Deferred tax expense</b>		
Change in recognised temporary differences	27.89	(81.61)
	<b>27.89</b>	<b>(81.61)</b>
<b>Total Tax Expense</b>	<b>261.39</b>	<b>(184.17)</b>

**B. Amounts recognised in Other Comprehensive Income**

	March 31, 2021			March 31, 2020		
	Before tax	Tax (expense)/income	Net of tax	Before tax	Tax (expense)/income	Net of tax
Remeasurements of defined benefit obligations	80.54	(22.51)	58.03	100.03	(28.44)	71.60
	<b>80.54</b>	<b>(22.51)</b>	<b>58.03</b>	<b>100.03</b>	<b>(28.44)</b>	<b>71.60</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

(All amounts are in Rupees in Lac, unless otherwise stated)

**C. Reconciliation of effective tax rate**

	March 31, 2021		March 31, 2020	
	Rate	Amount	Rate	Amount
<b>Profit before tax</b>		3,239.13		1,621.10
Tax using the Group's domestic tax rate (A)	26.00%	<b>842.17</b>	26.00%	<b>421.49</b>
Tax effect of:				
MAT credit/Deferred Tax		27.89		(218.55)
Taxable/Non-taxable items		(608.68)		(387.11)
<b>Total (B)</b>		<b>(580.79)</b>		<b>(605.66)</b>
<b>(A)+(B)</b>		<b>261.39</b>		<b>(184.17)</b>

**D. Movement in deferred tax balances**

	As at March 31, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
<b>Deferred Tax Assets</b>				
Employee benefits	59.36	26.09	(22.51)	62.93
Property, plant and equipment and intangibles	44.95	5.85	-	50.80
Investment property	55.66	7.52	-	63.18
Trade receivables	51.08	19.08	-	70.16
Investments	133.68	(90.23)	-	43.45
Security deposit	-	-	-	-
Operating leases	24.98	13.99	-	38.97
Loans	0.26	(0.26)	-	-
Borrowings	-	-	-	-
Other financial liabilities	56.47	5.93	-	62.40
MAT	182.46	(16.08)	-	166.38
Other non-financial liabilities	-	-	-	-
Other consolidation adjustments	25.72	(0.01)	-	25.72
<b>Sub- Total (a)</b>	<b>634.62</b>	<b>(28.11)</b>	<b>(22.51)</b>	<b>583.99</b>

**Deferred Tax Liabilities**

Property, plant and equipment and intangibles	-	-	-	-
Security deposit	-	-	-	-
Inventory	-	-	-	-
<b>Sub- Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Asset (a) - (b)</b>	<b>634.62</b>	<b>(28.11)</b>	<b>(22.51)</b>	<b>583.99</b>

	As at April 1, 2019	Recognised in P&L	Recognised in OCI	As at March 31, 2020
<b>Deferred Tax Assets</b>				
Employee benefits	67.20	20.59	-28.44	59.36
Property, plant and equipment and intangibles	72.75	(0.29)	-	72.46
Investment property	21.74	33.92	-	55.66
Trade receivables	40.47	10.61	-	51.08
Investments	138.26	(4.58)	-	133.68
Security deposit	0.51	(0.51)	-	-
Operating leases	-	24.98	-	24.98
Loans	-	0.26	-	0.26
Borrowings	6.07	(6.07)	-	-
Other financial liabilities	51.11	5.36	-	56.47
MAT	177.86	4.60	-	182.46
Other non-financial liabilities	6.26	(6.26)	-	-
Other consolidation adjustments	25.72	-	-	25.72
<b>Sub- Total (a)</b>	<b>607.96</b>	<b>82.60</b>	<b>-28.44</b>	<b>662.13</b>

**AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED**

**Notes to consolidated financial statements for the year ended March 31, 2021**

*(All amounts are in Rupees in Lac, unless otherwise stated)*

	<b>As at April 1, 2019</b>	<b>Recognised in P&amp;L</b>	<b>Recognised in OCI</b>	<b>As at March 31, 2020</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment and intangibles	(31.29)	3.77	-	(27.52)
Security deposit	(0.05)	0.05	-	-
Inventory	(0.09)	0.09	-	-
<b>Sub- Total (b)</b>	<b>(31.42)</b>	<b>3.91</b>	<b>-</b>	<b>(27.52)</b>
<b>Net Deferred Tax Asset (a) - (b)</b>	<b>576.54</b>	<b>86.51</b>	<b>(28.44)</b>	<b>634.62</b>

**58** The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of virus, including lockdowns and restrictions on movement of people and goods across geographies. Stock broking services being part of capital market operations have been declared as essential services and accordingly the company has faced no business interruption on account of lockdown in case there is disruption in the functioning of capital markets the business of the company may be affected. There has been no material change in the controls or processes followed in the closing of the financial statement of the company. The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 pandemic on the company. Based on the current assessment the management is of the view that impact of COVID-19 on the operations of the company and the carrying value of assets and liabilities is minimal. The ongoing COVID-19 situation may result in some changes in overall economic and market conditions, which may in turn have an impact on the operations of the company.

**59** Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

For **Mohan Gupta & Co.**  
Chartered Accountants  
Firm Registration No. 006519N

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

**Himanshu Gupta**  
Partner  
Membership No.: 527863  
UDIN - 21527863AAAAHQ2532

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

**Govind Prasad Agrawal**  
Director  
DIN: 00008429

**Shilpa Bhatia**  
Company Secretary  
ACS: A49386

**Shakti Singh**  
Chief Financial Officer  
PAN: BKMP56127D

Place: New Delhi  
Date: 28 June-2021

Place: New Delhi  
Date: 28 June-2021

## Avonmore Capital & Management Services Limited

Corporate Identity Number (CIN) : L67190DL1991PLC045857

Regd. Office : F-33/3, Phase-II, Okhla Industrial Area, New Delhi-110020

Tel : 011-43500700; Fax : 011-43500787;

Website : www.avonmorecapital.in; email id : secretarial@almondz.com

### NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of **AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED** will be held on **Wednesday, the 29<sup>th</sup> day of September, 2021, at 01.00 P.M (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")** to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2021 together with Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Ashu Gupta (DIN:00007836), who retires by rotation at this Annual General Meeting in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment, and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Ashu Gupta (DIN:00007836), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### SPECIAL BUSINESS:

3. **Re-appointment of Mr. Ashok Kumar Gupta (DIN: 02590928), as Managing Director of the Company**

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Ashok Kumar Gupta (DIN : 02590928) as Managing Director, for a period of five years with effect from 31 December, 2021 to 30 December, 2026 (both days inclusive), as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration") under the Companies Act, 2013 on terms and conditions including remuneration as under :

##### A. Salary

- (i) Basic Salary of Rs. 1,15,000/- in the scale of Rs. 1,15,000 - 10,000-1,35,000/- per month

##### B. Perquisites

- a) House Rent Allowance upto 50% of the Basic Salary.
- b) Special Allowance of Rs. 2000/- per month.
- c) Conveyance Allowance of Rs. 1,600/- per month.

- d) Reimbursement of actual medical expenses to the extent of Rs. 1,250/- per month.
- e) Company's Contribution towards Provident Fund and Superannuation Fund as per the Rules of the Company.
- f) Gratuity as per the Rules of the Company.
- g) Bonus / ex gratia payments as per the Rules of the Company.
- h) Incentive as per Performance Linked Incentive Policy of the Company, if any.

In addition to the above, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

#### Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Mr. Ashok Kumar Gupta, the Company has no profits or its profits are inadequate under the provisions of Schedule V to the Companies Act, 2013, the Company will pay the salary and perquisites upto the limits as specified above to Mr. Ashok Kumar Gupta as the minimum remuneration as specified in Section II of part II of Schedule V of the Companies Act, 2013 and subject to the Member's Approval, if necessary. The Remuneration is approved for 3 years and the remuneration of balance period of 2 years is subject to approval of the Shareholders by special resolution."

**RESOLVED FURTHER THAT** the Board of Directors, be and is hereby, authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with any provisions under the Companies Act, 2013 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under.

**RESOLVED FURTHER THAT** Directors of the Company be and is hereby, individually authorized, for and on behalf of the Company, to do all the acts, deeds, and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

**Shilpa Bhatia**  
Company Secretary & Compliance Officer

**Date: 13.08.2021**

**Place: New Delhi**

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### NOTES:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 29<sup>th</sup> **Annual General Meeting (the "AGM" or the "Meeting") of Avonmore Capital & Management Services Limited (the "Company")** will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. Keeping the convenience of the Members positioned in different time zones, the Meeting has been scheduled at 1:00 P.M IST.
3. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 29<sup>TH</sup> AGM OF THE COMPANY (THE "NOTICE").**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [csnps11@gmail.com](mailto:csnps11@gmail.com) with a copy marked to [www.evotingindia.com](http://www.evotingindia.com)
4. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
5. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
6. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 3 annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors seeking appointment/re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.
7. **Dispatch of Annual Report through E-mail**

In accordance with the MCA Circulars and the said SEBI Circular, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2021, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Beetal Financial Computers Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2021 shall be available on the websites of the Company viz., [www.avonmorecapital.in](http://www.avonmorecapital.in) and of the Stock Exchange where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., Central Depository Services (India) Limited (CDSL), viz., [www.evotingindia.com](http://www.evotingindia.com)
8. **PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM**

Members will be able to attend the AGM through VC or OAVM by using their remote e-Voting login credentials and selecting the EVEN for the AGM. **Further details in this regard are annexed separately and form part of this Notice.**
9. **PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM**

The remote e-Voting period will commence on Sunday, September 26, 2021 (10:00 A.M. IST) and will end on Tuesday, September 28, 2021 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Wednesday, September, 22, 2021, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, September, 22, 2021 being the

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The Board of Directors has appointed M/s. NPS & Associates, Company Secretaries (ACS: **A55529** /CP No. **22069**) as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of at least two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.avonmorecapital.in](http://www.avonmorecapital.in)) and on the e-Voting website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed.

### 10. Procedure to raise Questions / seek Clarifications

(a) As the AGM is being conducted through VC or OAVM, the Members are encouraged to express their views / send their queries well in advance for smooth conduct of the AGM but not later than 5:00 P.M. (IST) Friday, September 24, 2021, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers at [secretarial@almondz.com](mailto:secretarial@almondz.com) and only such questions / queries received by the Company till the said date and time shall be considered and responded during the AGM.

(b) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Monday, September 20, 2021 (9:00 A.M. IST) to Friday, September 24, 2021 (5:00 P.M. IST) at [secretarial@almondz.com](mailto:secretarial@almondz.com) from their registered e-mail addresses mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.

(c) Members seeking any information on the financial accounts, operations or any matter to be placed at the AGM, are requested to write to the Company from Monday, September 20, 2021 (9:00 A.M. IST) to Friday, September 24, 2021 (5:00 P.M. IST) through e-mail at [secretarial@almondz.com](mailto:secretarial@almondz.com) and the same will be suitably replied by the Company.

### 11. Procedure for inspection of documents

All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at [secretarial@almondz.com](mailto:secretarial@almondz.com) from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at CDSL e-Voting system.

### 12. Book Closure Period

The Share Transfer Books and Register of Members of the Company will remain closed from **Thursday, September 23, 2020 to Wednesday, September 29, 2021 (both days inclusive)** for the purpose of the AGM.

### 13. Nomination Facility

Members holding shares under a single name in physical mode are advised to make nomination in respect of their shareholding in the Company. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

14. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents, may be re- submitted for transfer even after April 1, 2019 provided it is submitted alongwith the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.

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

**Shilpa Bhatia**  
Company Secretary & Compliance Officer

**Date: August 13, 2021**  
**Place: New Delhi**

**Explanatory Statement**

**(Pursuant to 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. 3 of the accompanying Notice :

**Item No.3:**

Mr. Ashok Kumar Gupta is a commerce graduate and is also a fellow member of "The Institute of Company Secretaries of India". Mr. Ashok Kumar Gupta is having vast experience in the field of finance, accounts and secretarial matters of the Companies.

Keeping in view that Mr. Ashok Kumar Gupta has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Ashok Kumar Gupta as Managing Director. The Nomination and Remuneration Committee considered the significant contributions made by Mr. Ashok Kumar Gupta, as Managing Director and thereby recommended to the Board elevation of Mr. Ashok Kumar Gupta as Managing Director. Based on the recommendation of the Nomination and Remuneration Committee and for the smooth and efficient running of the administrative affairs of the Company, the Board of Directors of the Company passed a resolution in their meeting held on August 13, 2021, subject to the approval of members, approving re-appointment of Mr. Ashok Kumar Gupta as Managing Director of the Company for a period of 5 years with effect from December 31, 2021 to December 30, 2026.

The re-appointment and payment of remuneration to Mr. Ashok Kumar Gupta are subject to the approval(s) of Members at this Annual General Meeting of the Company by way of Special Resolution, in accordance with the relevant provisions of the Companies Act, 2013 read with Schedule V to the said Act. Further, in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Ashok Kumar Gupta as the Managing Director of the Company, the remuneration as mentioned in the item no. 3, will be paid to Mr. Ashok Kumar Gupta, as minimum remuneration, subject to such statutory / regulatory approvals as may be necessary. A statement containing the requisite information in accordance with the requirement of Section II of Part II of Schedule V of the Act is also attached. None of the Directors and KMP(s) of the Company or their relative except Mr. Ashok Kumar Gupta are in any way, concerned or interested, financial or otherwise, in the special resolution set out at item No. 3 of the notice. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

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

**Shilpa Bhatia**  
Company Secretary & Compliance Officer

**Date: August 13, 2021**

**Place: New Delhi**

**STATEMENT CONTAINING INFORMATION AND DISCLOSURES AS REQUIRED PURSUANT TO SUB PARAGRAPH (IV) OF SECTION II, PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013.**

The Company hereby declares that it has not invited any public deposits and there is no default in repayment of any of its debts or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

**I General Information**

S . No.	Particulars	Disclosure
1.	Nature of Industry	Finance (including NBFCs)
2.	Date or Expected date of commencement of commercial production	The Company is already in existence and operation
3.	In case of new companies, expected date of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
4.	Financial Performance based on given indicators (as on 31 March 2021) – Audited	As given below
5.	Foreign investments or collaborations, if any	N.A.

**II INFORMATION ABOUT THE APPOINTEE**

S . No.	Particulars	Disclosure
		<b>Mr. Ashok Kumar Gupta</b>
1.	Background Detail	Mr. Ashok Kumar Gupta is a Commerce Graduate and is also a Fellow Member of "The Institute of Company Secretaries of India". Mr. Ashok Kumar Gupta is having vast experience of more than 25 years in the field of finance, accounts and secretarial matters of the Companies
2.	Past Remuneration	Rs. 1,42,500/- pm
3.	Recognition or Awards	N.A.
4.	Job Profile and his suitability	Presently, Mr. Ashok Kumar Gupta is managing the affairs of the Company and involved in Business Development. He has greatly contributed in building up and moving the organization towards growth.
5.	Remuneration proposed	As per the Resolution Passed

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

6.	Comparative remuneration profile with respect to industry size of the, company, profile of the position and person	The Remuneration of Mr. Ashok Kumar Gupta is in the consonance with the given criteria. Taking into consideration the size of the Company, the profile of Mr. Ashok Kumar Gupta, the responsibilities being shouldered by him and the industry benchmarks the remuneration proposed to be paid to him commensurate with the remuneration packages paid to similar senior level counterpart(s) in comparable industries.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel	He is not having any other pecuniary relationship with the company or its managerial personnel.

### III. OTHER INFORMATION

S. No.	Particulars	Disclosure
1.	Reasons of Loss or Inadequate profit	The public sentiment and the pandemic to an extent which has a strong influence on the general economic conditions during financial year 2020-21, it is contemplated that there may be a situation of inadequate profits at the end of the current financial year 2020-21.
2.	Steps taken or proposed to be taken for improvement	Efforts are being made to increase operational efficiency, client base & cost control so as to improve the profitability.
3.	Expected increase in productivity and profits in measurable terms	The Board is taking steps to increase the profitability.

### IV. Disclosures

- The details of remuneration proposed to be paid to the Managing Director are contained in the resolution Item

No. 3 of the Notice read with corresponding Explanatory Statement required under Section 102 of the Companies Act, 2013.

- All the necessary disclosures pertaining to the Directors shall be made in the Director's Report for the F.Y. 2020-21.

Particulars	Disclosure
Name of the appointee	Ashok Kumar Gupta
Names of other Companies in which the appointee holds directorship	1. Glow Apparels Private Limited 2. Anemone Holdings Private Limited 3. Almondz Infosystem Private Limited 4. Latitude 23 Communications Private Limited 5. Red Solutions Private Limited 6. Sunlight Software Private Limited
Name of the Company in which Appointee holds membership of the Committee of the Board	1. Stakeholders' Relationship Committee, Member 2. Committee For Further Issue of Share Capital, Chairman 3. Management Committee, Chairman 4. Corporate Social Responsibility Committee, Member
Shareholding in Avonmore Capital & Management Services Limited	NIL

(Rs. In Lakhs)

S. No.	Particulars	2020-21	2019-20	2018-19
1.	Gross Revenue	301.50	236.43	373.43
2.	EBITDA	111.19	85.45	269.07
3.	PBT	67.76	81.40	249.03
4.	PAT	46.73	65.22	268.91
5.	Paid-up Equity Share Capital	2492.17	2492.17	2492.17
6.	Net worth	10,166.61	10,118.04	10,052.14
7.	EPS	0.19	0.26	1.11

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING, SCHEDULED TO BE HELD ON SEPTEMBER 29, 2021 PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS), REGULATION, 2015

Name of the Director	Mrs. Ashu Gupta	Mr. Ashok Kumar Gupta
Date of Birth	December 23, 1969	June 25, 1965
Age (in years)	51	56
DIN	00007836	02590928
Qualification	B.Com, FCS, LLB	B.Com, FCS
Date of first Appointment on the Board	20-03-2015	31-12-2011
Brief Profile/ nature of Expertise in specific functional area	She has Immense knowledge and experience of over 2 decades in almost every facet of Corporate Secretarial, Legal Advisory and Consulting Profession	Mr. Ashok Kumar Gupta is a Commerce Graduate and is also a Fellow Member of "The Institute of Company Secretaries of India". Mr. Ashok Kumar Gupta is having vast experience of more than 25 years in the field of finance, accounts and secretarial matters of the Companies
Terms of conditions of appointment/ re-appointment	As per resolution mentioned in Item no. 2 of the Notice	As per resolution mentioned in Item no. 3 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	Mrs. Ashu Gupta shall be entitled for sitting fees as may be approved by the Board from time to time. At present, sitting fees for attending each Board meeting is Rs. 15,000/- For FY 2020-21: Sitting Fees: Rs.60,000 /-	As per resolution mentioned in Item no. 3 of the Notice
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of Board Meetings attended during the year	4	4
Board Membership of other Companies as on March 31, 2021 (excluding foreign, private and Section 8 Companies)	NIL	NIL
Chairman/ Member of the Committee of the Board of Directors of the Company as on March 31, 2021	NIL	1. Stakeholders' Relationship Committee, Member 2. Committee For Further Issue Of Share Capital, Chairman 3. Management Committee, Chairman 4. Corporate Social Responsibility Committee, Member
Chairman/Member of the Committee of Directors of other Companies in which he/she is a director as on March 31, 2021		
a)Audit Committee	NIL	NIL
b)Stakeholders Relationship Committee	NIL	NIL
c)Nomination and Remuneration Committee	NIL	NIL
Number of shares held in the Company as on March 31, 2021	NIL	NIL

**INSTRUCTIONS FOR ATTENDING AND VOTING IN AGM**

i. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic

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means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- iii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- v. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.avonmorecapital.in](http://www.avonmorecapital.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- viii. In continuation of this Ministry's [General Circular No. 20/2020](#), dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

### THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Sunday, September 26, 2021 (10:00 A.M. IST) and will end on Tuesday, September 28, 2021 (5:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, September, 22, 2021 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

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Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System My easi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ Easi Registration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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**(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. 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).

**(vi)** After entering these details appropriately, click on “SUBMIT” tab.

**(vii)** Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

**(viii)** For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**(ix)** Click on the EVSN for the relevant <Company Name> on which you choose to vote.

**(x)** 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.

**(xi)** Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

**(xii)** 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.

**(xiii)** Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

**(xiv)** You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

**(xv)** If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@almondz.com](mailto:secretarial@almondz.com) designated email address by company, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Avonmore Capital & Management Services Ltd.

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