



AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Avonmore Capital & Management Services Limited

Corporate Information

Avonmore Capital & Management Services Ltd.
CIN: L67190DL1991PLC045857

Board of Directors

Govind Prasad Agrawal

Non-Executive Chairman & Director

Ashok Kumar Gupta

Managing Director

Ajay Kumar

Non-Executive Independent Director

Shyam Sunder Lal Gupta

Non- Executive Independent Director

Bhupinder Singh

Non- Executive Independent Director

Ashu Gupta

Non-Executive Women Director

Registrar & Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.
"Beetal House"3rd Floor,
99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi- 110062
Phones: 011-29961281, 29961282
Fax:011-29961280/84
E-mail: beetalrta@gmail.com

Statutory Auditors

Mohan Gupta & Company
Chartered Accountants
B-2A/37, Janak Puri,
Near Metro Pillar No.536, Main Najafgarh Road, New Delhi-110058
Ph: 45597859/41612538
e-mail: mohan.mgc@gmail.com

Registered Office

F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020

Listed on

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

Company Secretary & Compliance Officer

Ms. Sonal

Bankers

HDFC Bank Ltd.
Axis Bank Ltd.

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Directors' Report

Dear Members,

Your Directors are pleased to present the 31st Annual Report on the operational and business performance of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March, 2023.

1. FINANCIAL SUMMARY / HIGHLIGHTS

The summarized financial performances for the Financial Year ended March 31, 2023 are as under:

(Rs. In Lakhs)

| Particulars | 2022-23 | | 2021-22 | |
|---|-----------------|------------------|---------------|-----------------|
| | Standalone | Consolidated | Standalone | Consolidated |
| Total Income | 3,538.65 | 21,479.00 | 415.26 | 8,719.00 |
| Profit before Finance cost and Depreciation | 3,285.23 | 15,908.00 | 239.74 | 5,304.00 |
| Less: Finance cost | 577.40 | 310.00 | 48.14 | 511.00 |
| Profit before Depreciation | 2,707.83 | 15,598.00 | 191.6 | 4,793.00 |
| Less: Depreciation | 1.81 | 226.00 | 0.56 | 247.00 |
| Profit before Exceptional Items | 2,706.02 | 15,372.00 | 191.04 | 4,546.00 |
| Profit before Tax | 2,706.02 | 15,372.00 | 191.04 | 4,546.00 |
| Less: Current Tax | 690.01 | 3,190.00 | 56.38 | 520.00 |
| Income Tax for earlier years | 0.49 | (16.00) | 0.30 | (10.00) |
| Deferred Tax | (9.50) | 12.00 | (3.39) | (8.00) |
| Profit after Tax | 2,025.02 | 12,186.00 | 137.75 | 4,044.00 |
| Other comprehensive Income | 35.80 | 38.00 | 1.79 | 35.00 |
| Total Comprehensive Income | 2,060.83 | 12,224.00 | 139.54 | 4,079.00 |

Financial Highlights of Subsidiaries/Associates

(Rs. In Lakhs)

| Particulars | 2022-23 | | |
|-------------------------------------|--------------|----------------|----------------------------|
| | Total Income | Total Expenses | Profit/(Loss) for the year |
| Almondz Global Securities Limited | 2,952.94 | 2,552.35 | 327.41 |
| Anemone Holdings Private Limited | 10,801.08 | 53.96 | 8,429.93 |
| Almondz Infosystem Private Limited | 0.31 | 1.23 | (0.93) |
| Apricot Infosoft Private Limited | 5.57 | 1.44 | 3.59 |
| Avonmore Developers Private Limited | Nil | 0.15 | (0.15) |
| Red Solutions Private Limited | 1.01 | 120.71 | (109.25) |
| Glow Apparels Private Limited | Nil | 1.22 | (0.70) |

PERFORMANCE REVIEW AND THE STATE OF COMPANY'S AFFAIRS:

Your Company has prepared the Financial Statements for the financial year ended March 31, 2023 in terms of Sections 129, 133 and Schedule III to the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The total income of your Company on standalone basis was **Rs. 3,538.65** Lakhs as compared to **Rs. 415.26** lakhs for the previous financial year 2021-2022. Profit before tax (PBT) was **Rs. 2,706.02** Lakhs as compared to **Rs. 191.04** Lakhs in the previous financial year 2021-2022. The Company's consolidated total income for the financial year 2022-23 was **Rs. 21,479.00** Lakhs as compared to **Rs. 8,719.00** Lakhs in the previous financial year 2021-22. Consolidated Profit before tax (PBT) was **Rs. 15,372.00** Lakhs as compared to **Rs. 4,546.00** Lakhs in the previous financial year 2021-22.

2. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares of the Company for the current financial year.

3. TRANSFER TO RESERVE FUND

Under section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer

a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, Avonmore Capital & Management Services Limited (the 'Company') has transferred a sum of Rs.405.48 Lakh to its reserve fund.

4. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

Information on State of Affairs of the Company is 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.

5. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company. The annual accounts of the subsidiaries companies and related detailed information are available on the website of the Company and the same may be obtained by writing to the Company Secretary at the Registered e-mail ID of the Company. The consolidated financial results reflect the operations of Subsidiaries Companies. The Company has adopted a Policy for determining Material

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Subsidiaries in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Policy, as approved by the Board, is uploaded on the Company's website www.avonmorecapital.in

6. CASH FLOW STATEMENT

In conformity with the provisions of Listing Regulations, the Cash Flow Statement for the year ended March 31, 2023 is annexed hereto.

7. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of this Report. Except, that during the year, pursuant to the provisions of Section 68 and other applicable provisions of the companies act, 2013 and SEBI (Buyback of Securities) Regulations 2018, the Board of Directors of the company at their meeting held on 30th May, 2022 approved the buyback of 9,17,680 (Nine Lakh Seventeen Thousand Six Hundred Eighty) fully paid-up equity shares of face value of Rs. 10/- each ("Equity Share") representing approx. 3.78 % of the total number of fully paid-up Equity Shares in the paid up share capital of the Company at a price of Rs. 95 (Rupees Ninety Five only) per Equity Share (the "Buy Back Offer Price") payable in cash for an aggregate consideration not exceeding Rs. 8,71,79,600 (Rupees Eight Crore Seventy One Lakh Seventy Nine thousand Six Hundred only) (the "buyback offer size").

The Buyback was completed successfully and accordingly, 9,17,680 equity shares has been extinguished w.e.f.28th July, 2022.

8. RBI GUIDELINES

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

9. SHARE CAPITAL

During the year, the issued, subscribed and paid up share capital of the Company as on 31st March, 2023 was at Rs. 2335.32 lakhs divided into 2,33,53,220 Equity Shares of Rs. 10 each. During the year under review, the Company has not issued any shares.

Further, pursuant to the provisions of Section 68 and other applicable provisions of the companies act, 2013 and SEBI (Buyback of Securities) Regulations 2018, the Board of Directors of the company at their meeting held on 30th May, 2022 approved the buyback of 9,17,680 (Nine Lakh Seventeen Thousand Six Hundred Eighty) fully paid-up equity shares of face value of Rs. 10/- each ("Equity Share") representing approx. 3.78 % of the total number of fully paid-up Equity Shares in the paid up share capital of the Company. The Buyback was completed successfully and accordingly, 9,17,680 equity shares has been extinguished. At present the issued, subscribed and paid up share capital of the Company as on date is 2335.32 lakhs divided into 2,33,53,220 Equity Shares of Rs. 10 each.

10. CHANGE IN NATURE OF BUSINESS

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

11. 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

12. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2023, 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

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**.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at www.avonmorecapital.in.

13. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, Willis Towers Watson India Insurance Brokers Private Limited (Associate through its subsidiary Anemone Holdings Pvt. Limited) ceased to be associates of Avonmore Capital & Management Services Limited w.e.f. 08.04.2022.

14. MATERIAL SUBSIDIARY

Almondz Global Securities Limited and Anemone Holdings Private 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, 2022 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.

15. PERFORMANCE OF SUBSIDIARIES COMPANIES

Almondz Global Securities Limited (Subsidiary Company)

Almondz Global Securities Limited (AGSL) is 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 was set up by a team that was young, aggressive and hungry for opportunities to make profitable deals. With the help of rapidly evolving business models and the flexibility to adapt to the demands of a changing marketplace, Almondz has been able to deftly navigate through the Indian Business landscape. Ever since

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it's foundation over two decades ago, Almondz has been able to make its mark in the financial services sector.

Responding to changing business dynamics, the group has pivoted to a more diversified structure of business in the recent past. During the years, Almondz has evolved as a Consulting Company, known for its' ability to deliver tangible results. The Company is poised to become a company with well-diversified business undertakings, focused on building strong businesses, creating value and nurturing leadership. Every arm of the group is being led by young, vibrant leaders with an attention to ethical and legal practices. As an enterprise Almondz strives to adapt and re-invent itself as the market evolves, with the ultimate goal to create value for our clients, shareholders and employees at every step. 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: www.almondzglobal.com

STEP DOWN SUBSIDERIES

Almondz Global Infra-Consultant Limited (Step down Subsidiary)

Almondz Global Infra-Consultant Limited (AGICL) is an ISO 9001:2015 certified company, a Public Limited Company and Wholly Owned Subsidiary of Almondz Global Securities Limited (AGSL). AGICL provides Consultancy Services in multiple infrastructure sectors especially in Roads, Bridges, Highways & Tunnels, Smart Cities, Urban Infrastructure, Water & Waste Water, Tourism, Railways & Metro Rail, Ports & Inland Waterways & Airport. AGICL has been providing services from concept to commissioning like project concept Development, Project structuring, Transaction Advisory Planning, Designing, Engineering, Project Management Consultancy, Supervision as well as Independent Engineers, safety audits and Operation & Maintenance Services, which has helped AGICL to establish itself as one of the fastest growing Infra consultancy company in the Country. AGICL has completed more than 50 projects in the sector of Road and Highways, Transportation, Urban Infrastructure, water & waste water management, and is currently handling more than 100 projects in multiple sector like Road and Highway (Feasibility, DPR, Project supervision, Proof checking Safety Audit), Smart city (Conceptualization, planning and implementation), Transaction Advisory, Urban Infrastructure, Tourism etc. AGICL derive strength from its in house team of qualified and experienced professionals in various fields to ensure timely execution of the projects. AGICL employs Qualified professionals in various Fields, who are committed to deliver Quality work with in Budgeted time and cost. AGICL is having Pan India presence and empaneled with more than 30 Government department and agencies. AGICL has been consistently taking initiatives to improve the functional efficiency and remain in sync with the increase in growth of business. Implementation of ERP system and making collaboration with renowned international firms as knowledge partners are some of the recent strategic moves initiated by the company to bring more efficiency in the operation and to ensure better corporate governance.. For more details, please visit Website: www.almondzglobalinfra.com

Premier Alcobev Private limited (Joint Venture of Subsidiary)

PREMIER ALCOBEV PVT. LTD. (PAPL) started its operations in 2015 with the objective of manufacturing and selling Alcoholic Beverages high quality grain ENA/ Ethanol and other alcohol

products. The Registered office of the Company is located at F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020. The Company has a state of the art grain based Distillery with expanded capacity of 85 KLPD and Modern Bottling Plant for Indian Made Foreign Liquor and Country Liquor at Plot No-1, Sansarpur Terrace, Industrial Area, Phase-III, District-Kangra, Himachal Pradesh-176501. The plant is equipped to meet Zero Liquid Discharge (ZLD). The company is setting up 200 KLPD dedicated Ethanol Plant at its existing unit in HP. The Company is FSSC 22000 (Version 4.1): ISO TS 22002- 1:2009 certified and is focused in ensuring Total Quality Management. The Company has laid emphasis on eco-friendly production & strives to excel through implementation of latest technology. Since inception, the Company has seen quick rise through operational excellence, customer satisfaction and forward integration of bottling operations along with sales and distribution of liquor brands. The Company is interested to set up a Greenfield project for manufacturing and supply of Fuel Ethanol in the state of Odisha up to 250 KL per day to be able to increase Ethanol supply and contribute to achieve the national targets of 10% blending.

For more details, please visit Website:<https://paplgroup.com/home.php>

Almondz Finanz Limited (Step down Subsidiary)

Almondz Finanz Limited (AFL) was incorporated in 2006 as a wholly owned subsidiary company of Almondz Global Securities Limited. AFL is registered with Reserve Bank of India as a non-deposit accepting Non Banking Financial Company (NBFC-ND) engaged in providing loans to corporate as well as trading of debt and equity. For more details, please visit Website: www.almondz.com

Skiffle Healthcare Services Limited (Step down Subsidiary)

Skiffle Healthcare Services Limited (SHSL), was incorporated in December, 2012 with the main objective of setting up Super-Specialized Eye Care Centres in and around Delhi/NCR. The Company at present is running four eye centres in Delhi and Uttar Pradesh under the brand of "Itek Vision Centre" by providing state-of-the art technology, maintaining high standard of ethical practice and professional competency with emphasis on transparency and highest level of hospitality. The Company has adopted the latest means to meet the norms, rules, and regulations set by local, State, and national authorities. The centres are specialised in Cataract, Glaucoma, Paediatric, Neuro-ophthalmology, Cornea, Retina, LASIK and Oculoplasty services. For more details, please visit Website:www.itekvisioncentre.com

Almondz Financial Services Limited (Step down Subsidiary)

Almondz Financial Services Limited is a well-diversified financial services company which offers a broad range of financial products and services including investment banking, corporate advisory, valuation services, wealth advisory and research analyst to a substantial and varied client base including Corporate, Institutional, High Net Worth individuals and Retail clients. The company team has experienced management professionals with a deep understanding of the current business landscape. The Company's corporate governance model is rooted in ethical practices with a robust structure of internal checks and balances. The Company provides service to its clients through a network of 6 fully functional offices spread across the country along with 20,000+ registered Sub Brokers. For more details, please visit Website: <https://almondzfinancial.com/>

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North Square Projects Private Limited (Step down Subsidiary)

North Square Projects Private Limited (NSPPL) is a wholly owned subsidiary of Almondz Global Securities Ltd as was promoted on 6th August 2012 as a Special Purpose Vehicle (SPV) to enter in to a Joint Venture for taking up the distillery and bottling business in the name of Premier Alcobev Private Limited. For more details, please visit Website:www.almondz.com.

Almondz Commodities Private Limited (Step down Subsidiary)

Almondz Commodities Pvt. Ltd is a subsidiary of Almondz Global Securities Ltd. With nationwide presence, it enables the retail & corporate investors to diversify their portfolio and enjoy the benefits of commodity trading in MCX, NCDEX & NSEL. It's research team empowers investors to make informed investment decisions. The company offer commodity trading in Gold, Silver, Natural Gas & other commodities. For more details, please visit Website:www.almondz.com

Avonmore Developers Private Limited (Wholly owned Subsidiary)

The Company has been formed with the object of real estate developers and allied activities. The Company is yet to start its main business due to lack of suitable opportunity in the market.

Glow Apparels Private Limited (Wholly owned Subsidiary)

The Company has been formed with the object to manufacture wearing apparel. The Company is yet to start its main business due to lack of suitable opportunity in the market.

Apricot Infosoft Private Limited (Wholly owned Subsidiary)

The Company has been formed with the object to carry on business in computer related activities like maintenance of websites, creation of multimedia presentations for other firms. The Company is yet to start its main business due to lack of suitable opportunity in the market.

Anemone Holdings Private Limited (Wholly owned Subsidiary)

The Company has been formed with the object to act as holding Company without taking NBFC activities.

Almondz Infosystem Private Limited (Wholly owned Subsidiary)

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 (Wholly owned Subsidiary)

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

16. 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.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. DIRECTORS

As on March 31, 2023, the Board of Directors of your Company consist of 6 (Six) Directors. Their details are as follows:

| S. No | Name of the Directors | Category |
|-------|---------------------------|--|
| 1. | Mr. Govind Prasad Agrawal | Non-Executive, Non-Independent, Director |
| 2. | Mr. Ashok Kumar Gupta | Managing Director |
| 3. | Mr. Ajay Kumar | Non-Executive, Independent, Director |
| 4. | Mr. Shyam Lal Sunder | Non-Executive, Independent, Director |
| 5. | Mr. Bhupinder Singh | Non-Executive, Independent, Director |
| 6. | Mrs. Ashu Gupta | Non-Executive, Non Independent, Women Director |

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

The Board was duly constituted in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended March 31, 2023.

Resignation/Cessation

There has been no change in the composition of Board during the financial year and upto the date of report.

B. RETIREMENT BY ROTATION

Mrs. Ashu Gupta

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Ashu Gupta, Director of the Company is liable to retire by rotation for this year and being eligible, offer herself for re-appointment as Director. Brief resume and other details of Mrs. Ashu Gupta, who is proposed to be re-appointed as a Director of the Company have been furnished, with the explanatory statement to the notice of the ensuing Annual General Meeting.

C. KEY MANAGERIAL PERSONNEL

As on March 31, 2023, Mr. Ashok Kumar Gupta, Managing Director, Ms. Sonal, Company Secretary & Compliance Officer and Mr. Shakti Singh, Chief Financial Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. MEETINGS OF THE BOARD

During the year 5 (Five) meetings of the Board of Directors were held i.e. May 13, 2022, May 30, 2022, August 12, 2022, November 14, 2022 and February 14, 2023.

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

19. STATEMENT ON DECLARATION "CERTIFICATE OF INDEPENDENCE" U/S 149(6) FROM INDEPENDENT DIRECTORS

The Board has Independent Directors and there is an appropriate balance of skills, experience and knowledge in the Board to enable it to discharge its functions and duties effectively. The

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Independent Directors have submitted disclosure that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

20. AUDIT COMMITTEE

As on 31st March, 2023, 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.

21. 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, 2023, 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.

22. LISTING

The Company is listed with Bombay Stock Exchange Ltd (BSE) and *National Stock Exchange of India (NSE). The Listing fees to the stock exchange for FY 2023-24 have been paid.

***The Company has been listed with National Stock Exchange of India w.e.f. 4th January, 2023.**

23. AUDITORS

A. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, the Current auditors of the Company M/s Mohan Gupta & Company, Chartered Accountants (Firm Registration No. 006519N), were appointed by the shareholders at the 25th Annual General Meeting held to hold office until the conclusion of the 30th Annual General Meeting.

The Statutory Auditors would retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for a second term of 5 consecutive years commencing

from the conclusion of ensuing Annual General Meeting of the Company. The Audit Committee and the Board at their meeting held on 12th August, 2022 has considered and recommended the re-appointment of M/s. Mohan Gupta & Company, Chartered Accountants (Firm Registration Number: 006519N) as Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of the 30th Annual General Meeting till the conclusion of the 36th Annual General Meeting.

Further, the report of the Statutory Auditors along with notes to Schedules for the year ended 31st March, 2023 forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark.

B. 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 Neeraj Gupta & Associates, Company Secretaries in Wholetime Practice, as the Secretarial Auditors of the Company for the financial year 2022-23. The Report of the Secretarial Audit Report is annexed herewith as **Annexure-II**.

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 Ashu Gupta & Co, Company Secretaries in Wholetime Practice, as the Secretarial Auditors of the Almondz Global Securities Limited (AGSL) material subsidiary of the Company for the financial year 2022-23. The Report of the Secretarial Audit Report is annexed herewith as **Annexure-III**.

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 Ashu Gupta & Co, Company Secretaries, in Wholetime Practice, as the Secretarial Auditors of the Anemone Holdings Private Limited, material subsidiary of the Company for the financial year 2022-23. The Report of the Secretarial Audit Report is annexed herewith as **Annexure-IV**

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

24. 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.

25. 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.

26. 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.

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

27. PARTICULARS OF EMPLOYEES

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

28. CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements under Companies Act, 2013 and as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed Report on Corporate Governance forms part of this Annual Report. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

29. 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
Navjeet Singh Sobti HUF
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.

30. 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.

31. ANNUAL RETURN

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2023, is available on the Company's website and can be accessed at www.avonmorecapital.in

32. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. 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 for FY 2023 and hence does not form part of this report. All the transactions with related party has been disclosed in the financial statement and forming part of this report.

Further, 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

33. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Due to its low average profitability, the CSR is not applicable on the Company for the period under review, the Board of Directors has constituted a Corporate Social Responsibility Committee to undertake and supervise the CSR Activities of the Company.

During the year under report, no meeting of the Committee was held.

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 has 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

34. 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.

35. 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.

**The Company has received approval for shifting of registered office from Regional Director vide its order passed on 17.01.2023, however, due to some technical issue on MCA portal, the relevant form for shifting of office has not been filed till the period under report.*

36. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 17(10) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Nomination and Remuneration Committee and the Board of Directors have formulated a policy for performance evaluation (same is covered under the Nomination and Remuneration Policy of the Company) of its own performance, of various mandatory Committees of the Board and of the individual Directors.

Further, SEBI vide its circular (Ref. no. SEBI/HO/CFD/CMD/ CIR/ P/2017/004) dated January 5, 2017 issued a guidance note on Board Evaluation for listed companies. In view of the same and in terms of Board approved Nomination & Remuneration Policy of the Company, the Independent Directors in their separate meeting held on May 30, 2023 under Regulation 25(4) of the Listing Regulations and Schedule IV of the Companies Act, 2013 had:

- (i) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive Directors; and
- (iii) assessed the quality, quantity and timelines of flow of information between the Company management and the Board of Directors that was necessary for the Board of Directors to effectively and reasonably perform their duties.

Further, in terms of the provisions of Regulation 19(4) read with Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013, the performance evaluation process of all the Independent and Non-Independent Directors of the Company was carried out by the Nomination and Remuneration Committee in its meeting held on May 30, 2023.

Further, in terms of Regulation 17(10) of the Listing Regulations and Schedule IV of the Companies Act, 2013, the Board of Directors also in their meeting held on May 30, 2023 carried out the performance evaluation of its own performance and that of its Committees and of the individual Directors.

The entire performance evaluation process was completed to the satisfaction of Board.

37. 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 through appropriate structures that are in place at your Company, including suitable reporting mechanisms.

38. 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

39. 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.

40. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors have adopted a Policy on Directors appointment and remuneration, including the criteria for determining qualification positive attributes independence of a Director and other matters. The Remuneration policy for directors, Key Managerial Personnel, 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.

41. 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.

42. 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.

43. DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Company has neither filed any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the reporting year, hence no disclosure is required under this section.

Further, there are no details required to be reported with regard to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions as your Company has not done any settlement with any Bank or Financial Institutions since its inception.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

44. **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 Policy for determining material subsidiaries of the Company is available on the website of the Company www.avonmorecapital.in. Policy on dealing with related party transactions is available on the website of the Company 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.

45. **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**

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Place: New Delhi
Date: August 14, 2023

Form AOC-I

(Pursuant of 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 | Almondz Infosystem Private Limited | Red Solutions Private Limited | Almondz Global Securities Limited | Avonmore Developers Private Limited | Glow Apparels Private Limited | Apricot Info soft Private Limited | Anemone Holdings Private Limited |
| 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 | Not applicable since not a foreign company | Not applicable since not a foreign company | Not applicable since not a foreign company | Not applicable since not a foreign company | Not applicable since not a foreign company | Not applicable since not a foreign company |
| Share capital | 5.00 | 1,211.40 | 1553.10 | 850.00 | 277.50 | 300.00 | 1.00 |
| Reserve & surplus | (0.12) | 293.76 | 13,196.26 | (8.93) | (12.58) | (125.17) | 10,224.03 |
| Total assets | 5.96 | 2,809.16 | 17,779.51 | 841.17 | 265.01 | 176.47 | 10,231.59 |
| Total Liabilities | 1.07 | 2,510.40 | 3030.15 | 0.10 | 0.10 | 0.35 | 6.56 |
| Investments | - | 966.15 | 11,361.43 | 742.65 | 261.28 | 48.94 | 8.03 |
| Turnover | 0.31 | 1.01 | 2,952.94 | 0 | 0 | 5.57 | 10,801.08 |
| Profit before taxation | (0.93) | (119.70) | 400.59 | (0.15) | (1.22) | 4.13 | 10,747.12 |
| Provision for taxation | 0 | (10.45) | 78.63 | 0 | (0.53) | 0.54 | 2,317.19 |
| Profit after taxation | (0.93) | (109.25) | 321.96 | (0.15) | (0.70) | 3.59 | 8,429.93 |
| Other Comprehensive income (Loss)(net of tax) | - | - | 5.45 | - | - | - | - |
| Total Comprehensive Income | (0.93) | (109.25) | 327.41 | (0.15) | (0.70) | 3.59 | 8,429.93 |
| Proposed Dividend | - | - | - | - | - | - | - |
| % of Shareholding | 100 | 100 | 58.45 | 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

**During the year under review, Willis Towers Watson India Insurance Brokers Private Limited (Associate through its subsidiary Anemone Holdings Pvt. Limited) ceased to be associates of Avonmore Capital & Management Services Limited w.e.f. 08.04.2022. Therefore, Part-B "Statement related to Associates & Joint ventures" is not applicable to the company.*

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

**Sonal
Company Secretary
(ACS:A57027)**

**Shakti Singh
Chief Financial Officer
(PAN:BKMPS6127D)**

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

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

**Place: New Delhi
Date: August 14, 2023**

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 31ST MARCH, 2023

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 **31st March, 2023**, 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

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 has received approval for shifting of registered office, from NCT of Delhi to the State of Maharashtra from Regional Director, Northern Region, vide its order passed on 17.01.2023, however, due to some technical issue on MCA portal, the relevant form for shifting of office has not been filed till date.*"

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 **31st March, 2023** 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;*
- (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:

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- (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.

We further report that:

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

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.

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**

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

UDIN: F005720E000755106

Place: New Delhi

Date: 07/08/2023

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.

- * **During the period under Audit, the Board of the Directors of the Company in their meeting held on 30th May, 2022 have unanimously approved the proposal to buy back not exceeding 9,17,680 fully paid up equity shares representing 3.78% (approx.) of the total number of equity share capital at a price of Rs. 95/- per share. The Company has duly complied with the all the relevant Rules and regulations framed in this regard.**

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.

**For NEERAJ GUPTA & ASSOCIATES
COMPANY SECRETARIES**

**Neeraj Gupta
Practicing Company Secretary
M. no. F5720,
C.P. NO. 4006
UDIN : F005720E000755106**

**Place New Delhi
Dated 07/08/2023**

Form No. MR-3
SECRETARIAL AUDIT REPORT
 For the financial year ended 31st March, 2023

[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 our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** ('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 31st March, 2023 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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, 2021; (Not applicable to the Company during the audit period)
 - (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

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:

The Company has received approval for shifting of registered office, from NCT of Delhi to the State of Maharashtra from Regional Director, North vide its order passed on 17.01.2023, however, due to some technical issue on MCA portal, the relevant form for shifting of office has not been filed till date. As per Management representation the Company will immediately file the necessary forms>Returns once this MCA technical issue is resolved.

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 except;

1. The Company had issued 7% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, at par aggregating to Rs. 12,00,00,000/- (Rupees Twelve Crores Only) on preferential basis to Avonmore Capital & Management Services Limited on 30.09.2022.
2. The Company had made variation in the terms of issue of 12,00,000 (Twelve Lakh) 7% Non-Convertible Non-Cumulative Redeemable Preference Shares with the approval of preference shareholder of the company in their meeting held on February 20, 2023 and approval of equity shareholders through postal ballot on 29.12.2022.
3. The Company had made alteration to the Memorandum of Association of the company for shifting of registered office of the company from the NCT of Delhi to the State of Maharashtra by passing a special resolution in the Annual General Meeting of shareholders held on 20.09.2022 and with the approval of Regional Director, North vide order dated 17.01.2023.

For **Ashu Gupta & Co.**
Company Secretaries

Place: New Delhi
Date: 08.08.2023

Ashu Gupta
(Prop.)
FCS No.: 4123
CP No.: 6646
UDIN: F004123E000764575
Peer Review Cert. No.: 730/2020

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.

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. 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.

For **Ashu Gupta & Co.**
Company Secretaries

Place: New Delhi

Date: 08.08.2023

Ashu Gupta
(Prop.)
FCS No.: 4123
CP No.: 6646
UDIN: F004123E000764575
Peer Review Cert. No.: 730/2020

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

ANEMONE HOLDINGS PRIVATE 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 **ANEMONE HOLDINGS PRIVATE 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 our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** ('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 31st March, 2023 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 there under; (Not Applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed there under; (Not Applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Audit Period because securities of the Company were not listed on any Stock Exchange:
-
 - (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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, 2021; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Other applicable Law:
 - a) Labour Laws;
 - b) Indian Stamp Act, 1899;

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") were not applicable to the Company during the audit period.

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.

The Company has received approval for shifting of registered office, from NCT of Delhi to the State of Maharashtra from Regional Director, North vide its order passed on 17.01.2023, however, due to some technical issue on MCA portal, the relevant form for shifting

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

of office has not been filed till date. As per Management representation the Company will immediately file the necessary forms>Returns once this MCA technical issue is resolved.

We further report that

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

Adequate notice was given to all directors to schedule the Board meetings at least seven days in advance generally or through shorter notice after complying with the requirements under the law, agendas were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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 except-

1. The Company had made alteration to the Memorandum of Association of the company for shifting of registered office of the company from the NCT of Delhi to the State of Maharashtra by passing a special resolution in the Annual General Meeting of shareholders held on 30.09.2022 and with the approval of Regional Director, North vide order dated 17.01.2023.

Place: New Delhi
Date: 08.08.2023

For **Ashu Gupta & Co.**
Company Secretaries

Ashu Gupta
(Prop.)
FCS No.: 4123
CP No.: 6646
UDIN: F004123E000764905
Peer Review Cert. No.: 730/2020

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.

To,

The Members,

ANEMONE HOLDINGS PRIVATE 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 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. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Ashu Gupta & Co.**
Company Secretaries

Place: New Delhi
Date: 08.08.2023

Ashu Gupta
(Prop.)
FCS No.: 4123
CP No.: 6646
UDIN: F004123E000764905
Peer Review Cert. No.: 730/2020

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

- Ratio of the remuneration of each Executive Directors* to the median remuneration of the employees of the Company for the financial year 2022-23, the percentage increase in remuneration of Managing Director & CEO, Executive Directors, Chief Financial Officer and Company Secretary during the financial year 2022-23.

| Sr. No. | Name of Director/Key Managerial Personnel | Designation | Ratio of remuneration of each Director to median remuneration of employees | Percentage increase in Remuneration |
|---------|---|-------------------------|--|-------------------------------------|
| 1 | Mr. Ashok Kumar Gupta | Managing Director | 3.03 times | 39.57% |
| 2 | Mr. Shakti Singh | Chief Financial Officer | - | 9.65% |
| 3 | Ms. Sonal | Company Secretary | - | NIL |

* None of the Non-Executive Directors of the Company was paid remuneration except sitting fees paid for attending Board/Committee Meetings.

- The percentage decrease in the median remuneration of employees for the financial year was **12.42%**
- The Company had **9** permanent employees excluding trainees, casual & contract staff on its rolls as on 31st March 2023.
- 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;

(e.g., the overall remuneration cost for all employees has increased by 2.71% in FY2022-23 in comparison to the previous FY2021-22. However, the average remuneration cost per employee decreased by 8.69%. For Key Managerial Personnel the remuneration cost went up by 29.07 %.)

- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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 14, 2023

Corporate Governance Report

[Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Corporate Governance Report for the financial year 2022-23 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

Avonmore Capital & Management Services Limited (the "Company" or "ACMS") puts a strong emphasis on corporate governance and ethically sound practices that build trust and transparency between our business and all stakeholders. We regard our stakeholders as invaluable partners in our journey and work to ensure their wellbeing, regardless of market or economic fluctuations. Our dedication to transparency and providing timely, precise data regarding our management and organizational structure has enhanced our reputation. This has enabled us to draw in the best people and resources to make our objectives, both short and long-term, into a workable business plan.

The Board of Directors (the "Board") is instrumental in developing the long-term vision and policy of our organization to ensure the highest quality in governance and operations. We have a clear guideline and framework in place to guide decision-making and management practices. Your Company has an experienced and well informed Board that oversees the Company's corporate governance and ensures the Company meets its fiduciary responsibilities to its stakeholders.

Over the years, your Company has complied with the Companies Act, 2013 (the "Act"), SEBI Regulations, RBI Directions/ Circulars, IND-AS (Indian Accounting Standards), Secretarial Standards, etc., Strong governance practices have rewarded the Company in the sphere of valuations, stakeholders` confidence and market capitalization. Your Company makes all efforts to comply with such standards.

Date of Report

The information provided in this Report on Corporate Governance for the purpose of unanimity is as on March 31, 2023 This Report is updated as on the date of the Report wherever applicable

2. BOARD OF DIRECTORS

(a) Composition and category of the Board of Directors:

In terms of Corporate Governance philosophy all

(b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

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 combination of Executive and Non-Executive Directors with Non-Executive Chairman, with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time). Out of the 6 Directors, 1 is Executive Director and 5 Non-Executive Directors (including three Independent Directors and a women Director). 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, 2023 have been made by the Directors to the Company. Further, none of the Directors are related to any other Director on the Board.

| S. No. | Name | Category/ Designation# | Attendance Particulars | | |
|--------|----------------------------|--|------------------------|----------|--|
| | | | No. of Board Meetings | | Whether Attended the last AGM held on September 29, 2022 |
| | | | Held | Attended | Attended |
| 1 | Mr. Ashok Kumar Gupta | Managing Director | 5 | 5 | Yes |
| 2 | Mr. Govind Prasad Agrawal | Non-Executive, Non-Independent Director | 5 | 5 | Yes |
| 3 | Mr. Shyam Sunder Lal Gupta | Non-Executive, Independent Director | 5 | 5 | No |
| 4 | Mr. Ajay Kumar | Non-Executive, Independent Director | 5 | 5 | Yes |
| 5 | Mrs. Ashu Gupta | Non- Executive, Non-Independent Director | 5 | 5 | Yes |
| 6. | Mr. Bhupinder Singh | Non-Executive, Independent Director | 5 | 2 | No |

(c). Directorships and Memberships of Board Committees:

| Sl. No. | Name | Number of Directorship held | | | Committee positions in listed and unlisted public limited companies | |
|---------|----------------------------|-----------------------------|--|--------------------------------------|---|-------------|
| | | In other listed Companies | Name of the other Listed Companies and category of directorship | In unlisted public limited Companies | As member | As chairman |
| 1 | Mr. Ashok Kumar Gupta | - | - | 1 | - | - |
| 2 | Mr. Govind Prasad Agrawal | 2 | Margo Finance Limited- Non Executive Independent Director Rama Vision Limited- Non Executive Independent Director | 1 | 3 | - |
| 3 | Mr. Shyam Sunder Lal Gupta | 1 | Rama Vision Limited- Non Executive Independent Director | - | - | 2 |
| 4 | Mr. Ajay Kumar | 1 | Almondz Global Securities Limited- Non Executive Independent Director | 1 | - | 3 |
| 5 | Mr. Ashu Gupta | - | - | - | - | - |
| 6 | Mr. Bhupinder Singh | - | - | 2 | - | - |

(d) Number of meetings of the board of directors held and dates on which held

During the year under review, the Board met 5 (Five) times on May 13, 2022, May 30, 2022, August 12, 2022, November 14, 2022 and February 14, 2023. The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty days), as stipulated under Section 173 of the Act, Regulation 17 of the SEBI Listing Regulations and Secretarial Standard - 1 as issued by the Institute of Company Secretaries of India (ICSI).

As per applicable laws, minimum 4 (four) Board meetings are required to be held every year. The Company has convened additional Board meetings to address specific needs of the business. In case of any exigency/emergency, resolutions are passed by circulation also. For the resolution to be approved through circulation, all the requisite inputs/ documents etc., are circulated over email which assists the Board to take informed decision. Further, the resolutions approved through circulation are taken on record by the Board in the next Board Meeting.

(e) Disclosure of relationships between directors inter-se

No other Directors are related to each other.

(f) Number of shares and convertible instruments held by non- executive directors as on March 31, 2023

None of the non- executive Directors holds any shares and convertible instruments as on 31st March, 2023.

(g) Training and Familiarization for Independent Directors

The Independent Directors are familiarized about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarization programme for the Independent Directors. The details of the familiarization programme of the Independent Directors are available on the website of the Company at www.avonmorecapital.in

(h) 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 |

(i) Confirmation regarding Independence of Independent Directors

In the opinion of the Board, Independent Directors fulfil the conditions of independence as specified in the Act & SEBI Listing Regulations, and are independent of the Management of the Company. The terms and conditions of appointment of independent directors are available on the website of the Company at www.avonmorecapital.in

(j) Independent Directors Meeting

In accordance with the requirement of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, during the year under review, one separate Meeting of the Independent Directors was held on May 30, 2022 to:-

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors; and
- assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that was necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

(k) Detailed reasons for the resignation of an Independent Director

During the year under review, there is no change in Independent Directors of the Company.

(l) Performance Evaluation of Board Members

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.

(m) Code of Conduct

The Company has adopted Codes of Conduct as per Regulation 17(5) of the SEBI Listing Regulations and is applicable to all its Board Members and senior Management Personnel. The said Codes of Conduct have been posted on the Company's website www.avonmorecapital.in. The Company has obtained declarations from all its Directors affirming their compliances with the applicable Codes of Conduct. The declaration by the Managing Director in compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31st March, 2023 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,
- 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

(a) TERMS OF REFERENCE:

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 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.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

(b) 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 | Non-Executive, Independent Director |
| Shyam Sunder Lal Gupta | Member | Non-Executive, Independent Director |
| Govind Prasad Agrawal | Member | Non-Executive, Non Independent Director |

The Committee members have requisite experience in the fields of Finance and Accounts, Banking and Management. The Audit Committee met 4 times during the year. The quorum of the Committee is 1/3rd of the total strength of the Committee or 2 members, whichever is higher and minimum of two independent

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

(c) DETAILS OF MEETINGS ATTENDED BY ITS MEMBERS ARE GIVEN BELOW

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 May 30, 2022, August 12, 2022, November 14 2022 and February 14, 2023. For the finalization of the Audited Annual Accounts of the Company for the financial year 2022-23, the meeting of the Audit Committee was held on 30th May, 2023. 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. 2022-23 |
|----------------------------|--|
| Mr. Govind Prasad Agrawal | 4/4 |
| Mr. Shyam Sunder Lal Gupta | 4/4 |
| Mr. Ajay Kumar | 4/4 |

• NOMINATION AND REMUNERATION COMMITTEE

(a) 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.

1. The broad terms of reference of the Nomination & Remuneration Committee are as under:
2. 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 3 below, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
3. To carry out evaluation of every Director's performance.
4. 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
5. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. 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.
7. To recommend to the board, all remuneration, in whatever form, payable to senior management.

(b) 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, Non Independent Director |

(c) DETAILS OF MEETINGS ATTENDED BY ITS MEMBERS ARE GIVEN BELOW

During the year under review, only 2 (Two) meeting of Nomination and Remuneration Committee was held, i.e. on 30.05.2022 and 12.08.2022.

| Name of Directors | No. of Meeting Attended / held during the F.Y. 2022-23 |
|----------------------------|--|
| Mr. Govind Prasad Agrawal | 2/2 |
| Mr. Shyam Sunder Lal Gupta | 2/2 |
| Mr. Ajay Kumar | 2/2 |

(d) POLICY LAID DOWN BY THE NOMINATION AND REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT & OTHER EMPLOYEES AND THE CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTOR

Pursuant to Section 178 of the Act read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended, the Board of Directors of the Company has in place the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP), Senior Management and other Employees.

The said policy also includes the Board Diversity policy which was framed under the applicable provisions of SEBI Listing Regulations. The policy is also available on the website of the Company at www.avonmorecapital.in

• STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ("SRC") of the Company has been constituted in line with the provisions of Section 178(5) of the Act read with Regulation 20 of the SEBI Listing Regulations. The purpose of the SRC is to resolve the grievances of the security holders

COMPOSITION AND MEETINGS

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

| S. No. | Name | Designation | Category |
|--------|----------------------------|-------------|---|
| 1. | Mr. Govind Prasad Agrawal | Chairman | Non-Executive, Non Independent 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, 2 (Two) Stakeholders Relationship Committee (Formerly Share Transfers & Shareholders Grievance Committee) meeting was held on 3rd October, 2022 & 16th January, 2023:

| Sl. No. | Name | No. of Meeting Attended / held during the F.Y. 2022-23 |
|---------|----------------------------|--|
| 1. | Mr. Shyam Sunder Lal Gupta | 2/2 |
| 2. | Mr. Govind Prasad Agrawal | 2/2 |
| 3. | Mr. Ashok Kumar Gupta | 2/2 |

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

- name of the non-executive director heading the committee - Mr. Govind Prasad Agrawal
- name and designation of the compliance officer - Ms. Sonal, Company secretary & Compliance Officer
- number of shareholders' complaints received during the financial year - Nil
- number of complaints not solved to the satisfaction of shareholders - Nil
- 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.

| Sl. No. | Name | Designation | Category |
|---------|----------------------------|-------------|--|
| 1. | Mr. Shyam Sunder Lal Gupta | Member | Non-Executive & Independent Director |
| 2. | Mr. Govind Prasad Agrawal | Member | Non-Executive & Non Independent 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.

COMPOSITION AND MEETINGS

| S. No. | Name | Designation | Category |
|--------|----------------------------|-------------|---|
| 1. | Mr. Ashok Kumar Gupta | Chairman | Managing Director |
| 2. | Mr. Shyam Sunder Lal Gupta | Member | Non-Executive, Independent Director |
| 3. | Mr. Govind Prasad Agarwal | Member | Non-Executive, Non Independent Director |
| 4. | Mr. Ajay Kumar | Member | Non-Executive, Independent Director |

The Company Secretary is act as Secretary of all the Committee meetings. During the year under review, 1(One) meeting of Management Committee meeting was held i.e. on 22nd August, 2022.

| Sl. No. | Name | No. of Meeting Attended / held during the F.Y. 2022-23 |
|---------|----------------------------|--|
| 1. | Mr. Ashok Kumar Gupta | 1/1 |
| 2. | Mr. Shyam Sunder Lal Gupta | 1/1 |
| 3. | Mr. Govind Prasad Agarwal | 1/1 |
| 4. | Mr. Ajay Kumar | 1/1 |

• CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Though the CSR is not applicable on the Company for the period under review, 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, no meeting of the Committee was held. The composition of the Committee was as under.

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

4. REMUNERATION PAID TO DIRECTORS

As per the Company's Policy on Nomination & Remuneration for Directors, Key Managerial Personnel, Senior Management and other Employees, Remuneration to Executive (Non-Independent Director) shall be paid in terms of Act, and other applicable laws. The Managing Director/Whole Time Director shall be eligible for monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The remuneration paid to Executive Director is commensurate with his roles and responsibilities. Remuneration paid to Executive Director, subject to limits prescribed under Part II, Section I of Schedule V to the Act, and consists of fixed salary, perquisites including employer's contribution to P.F., pension scheme, medical expenses etc. shall be decided by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

The disclosure in respect of remuneration paid/payable to Managing Director of the Company for the financial year 2022-23 is given below:

(Rs. In lacs)

| Name | Category | Remuneration* |
|-----------------------|-------------------|---------------|
| Mr. Ashok Kumar Gupta | Managing Director | 46.35 |

* **The remuneration includes all the major groups, such as salary, benefits, bonuses, stock options, pension etc., paid to the Managing Director during the FY 2022-23.**

Considering the time and efforts made by the Non-Executive Directors, it is necessary that appropriate sitting fees are paid to the Non-Executive Directors for attending the meetings of the Board and its Committees.

During the year under review, the Company has paid only the sitting fees to all the Non-Executive Directors within the ceiling of INR 1,00,000 per meeting as prescribed under the Act, and the rules made thereunder.

The structure for payment of sitting fees for attending Board and Committee Meetings is as follows:

| S. No | Type of Meeting | Sitting Fees |
|-------|--|---|
| 1 | Board Meeting | Rs. 25,000 (Rupees Twenty Five Thousand) per meeting. |
| 2 | Audit Committee & Management Committee | Rs. 7,500 (Rupees Seven Thousand Five Hundred) per meeting. |
| 3 | Other Statutory Committee(s) | Rs. 3,000 (Rupees Three Thousand) per meeting. |

Detail of payments made to Non-Executive Directors towards sitting fees during the financial year 2022-23 is as under:

(Rs. In lacs)

| S. No | Name of Non-Executive Directors | Sitting Fees (Board/ Committee Meeting) Paid for FY 2022-23 |
|-------|---------------------------------|---|
| 1. | Govind Prasad Agrawal | 1.64 |
| 2. | Shyam Sunder Lal Gupta | 1.67 |
| 3. | Bhupinder Singh | 0.53 |
| 4. | Ajay Kumar | 1.61 |
| 5. | Ashu Gupta | 1.15 |

5. GENERAL BODY MEETINGS

a. General Meetings

The details of the Annual General Meeting held in the last three years are as follows:

| Financial Year Ended | AGM | Location | Date of Meeting | Time of Meeting |
|----------------------|------------------|--|----------------------------------|-----------------|
| 31.03.2022 | 30 th | through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") | 29 th September, 2022 | 13:00 Hrs. |
| 31.03.2021 | 29 th | through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") | 29 th September, 2021 | 13:00 Hrs. |
| 31.03.2020 | 28 th | through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") | 6 th November, 2020 | 13:00 Hrs. |

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

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

| Annual General Meeting | Particulars of Special Resolutions Passed |
|---|--|
| 30 th Annual General Meeting | Revision in managerial remuneration payable to Mr. Ashok Kumar Gupta, Managing Director & KMP of the Company. Approval of the Related Party Transactions of the Company. Approval for the change of registered office of the Company from the State of NCT of Delhi to State of Maharashtra. |
| 29 th Annual General Meeting | Re-appointment of Mr. Ashok Kumar Gupta (DIN: 02590928), as Managing Director of the Company, for a period of Five years with effect from 31st December, 2021 to 30th December, 2026 (both days inclusive). |
| 28 th Annual General Meeting | No Special Resolution was passed |

c. Details of Special Resolution(s) passed last year through postal ballot are as follows:

During the year under review, the following special resolution has been passed through Postal Ballot:

- Approval to acquire and make Almondz Finanz Limited (AFL) a Wholly Owned Subsidiary by way of acquisition of 3,00,00,000 equity shares from Almondz Global Securities a subsidiary company which holds 100% shareholding in AFL.
- Approval for adoption of New set of MOA of the Company as per Companies Act 2013.

The details of the previous postal ballots are available on the website at www.avonmorecapital.in

d. Name of the Person who conducted the postal ballot exercise:

M/s. NPS & Associates, Company Secretaries (ACS: A55529/CP No. 22069) being appointed as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

Further, the result of the postal ballot has been submitted within 2 working days from conclusion of the e-voting period to the stock exchanges in accordance with the SEBI Listing Regulations.

e. Special resolution is being proposed to be passed through Postal Ballot.: None

f. Procedure for postal ballot:

- Pursuant to the provisions of the Act and SEBI Listing Regulations, the Company provides facility to the members to exercise votes through electronic voting system ('remote e-voting').
- The Company also publishes notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date.
- Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a

fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman and the voting results are announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, is deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or remote e-voting.

- In view of the relaxation granted by MCA, postal ballot notice will be sent only through email, to all those members who had registered their email IDs with the Company/ Depositories. Arrangements will also be made for other members to register their email ID to receive the postal ballot notice and cast their vote online.

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". 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.

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 herein below:

| Quarter/ Financial Year ended | Unaudited/ Audited | Name of the Newspaper (version) | Date of Publication |
|-------------------------------|------------------------|-------------------------------------|---------------------------------|
| June 2022 (Qtrly.) | Unaudited Consolidated | Business Standard (English & Hindi) | 13 th August, 2022 |
| September 2022 (Qtrly.) | Unaudited Consolidated | Business Standard (English & Hindi) | 15 th November, 2022 |
| December 2022 (Qtrly.) | Unaudited Consolidated | Business Standard (English & Hindi) | 15 th February, 2023 |
| March 2023 (Annual) | Audited Consolidated | Business Standard (English & Hindi) | 31st May, 2023 |

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

COMPLIANCE OFFICER

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

Address: F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020

E-mail: complianceacms@almondz.com

Phone: 011-43500700

Fax: 011- 43500735

7. GENERAL SHAREHOLDERS' INFORMATION

a) Ensuing Annual General Meeting (AGM):

| | |
|----------------------|---|
| Date and Time | September 29, 2023 at 01.00 p.m (IST) |
| Venue | Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, and as such there is no requirement to have a venue for the AGM. |

b) **Financial Year:** April 1, 2022 to March 31, 2023

c) **Dividend payment:**

In order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company and thus, have not recommended any dividend on Equity Shares for the financial year ended March 31, 2023.

d) **Listing on Stock Exchanges:**

As on March 31, 2023, the Company is listed on BSE Limited and National Stock Exchange of India Limited. The Annual Listing fee has been paid to the respective Stock Exchanges.

| Stock Exchanges | ISIN | Stock Code/Symbol |
|---|--------------|-------------------|
| National Stock Exchange of India Limited ('NSE') Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India | INE323B01016 | Avonmore |
| BSE Limited ('BSE') 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India | INE323B01016 | 511589 |

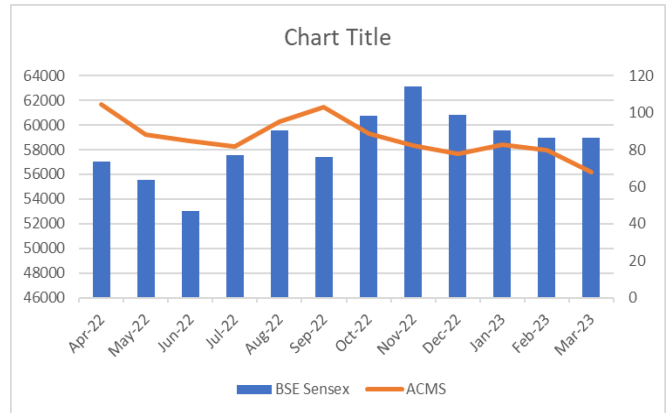
e) **Market Price Data– High, Low (based on daily closing price) and volume (no. of shares traded) during each Month in the Financial Year 2022-23 of Equity Shares of the Company, on BSE and NSE:**

| Month | BSE Limited (BSE) | | | National Stock Exchange of India Limited (NSE) | | |
|--------|--------------------|-------------------|------------------|--|-------------------|------------------|
| | Month's High Price | Month's Low Price | Volume of Trades | Month's High Price | Month's Low Price | Volume of Trades |
| Apr-22 | 104.75 | 81.00 | 4,02,337 | - | - | - |
| May-22 | 88.00 | 70.60 | 2,68,169 | - | - | - |
| Jun-22 | 84.85 | 57.40 | 4,64,333 | - | - | - |
| Jul-22 | 81.80 | 75.45 | 1,17,112 | - | - | - |
| Aug-22 | 95.10 | 73.00 | 7,39,675 | - | - | - |
| Sep-22 | 103.00 | 82.00 | 10,04,554 | - | - | - |
| Oct-22 | 88.75 | 73.05 | 2,77,070 | - | - | - |
| Nov-22 | 82.00 | 66.00 | 4,83,704 | - | - | - |
| Dec-22 | 78.00 | 58.15 | 4,15,499 | - | - | - |
| Jan-23 | 82.90 | 63.10 | 4,31,024 | 84.40 | 66.35 | 3,42,454 |
| Feb-23 | 80.00 | 61.30 | 1,68,013 | 73.75 | 61.20 | 4,95,382 |
| Mar-23 | 67.77 | 58.75 | 2,05,064 | 67.75 | 58.50 | 6,09,598 |

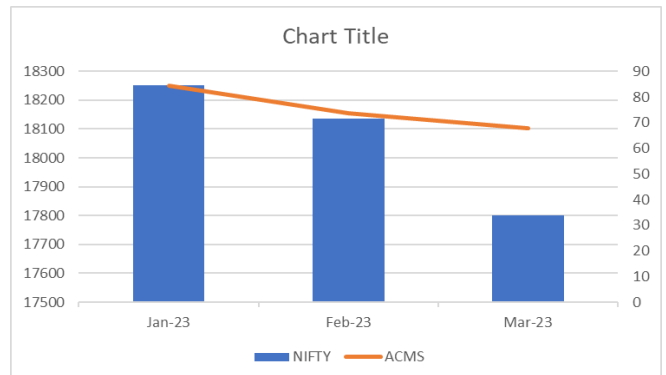
* **The Company has been listed on NSE w.e.f. 04.01.2023**

(f) **Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc.**

a. **In comparison to BSE Sensex**



b. **In comparison to NSE Nifty**



AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

(g) In case the securities are suspended from trading during the Financial Year 2022-23:

Not applicable

(h) Registrar & Share Transfer Agents:

| S . No | Name of Security | Registrar & Transfer Agent |
|--------|------------------|---|
| 1. | Equity Shares | M/s Beetal Financial & Computer Services Pvt. Ltd. "Beetal House", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110 062 Phone Number: 91-11-2996 1281/82 Fax Number: 91-11-2996 1280/84 E-mail: beetalrta@gmail.com , Website: www.beetalfinancial.com |

(i) Share transfer system:

Stakeholders Relationship Committee is authorised to approve transfer of shares. The dematerialised shares are transferred directly to the beneficiaries by the depositories. Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form effective from April 1, 2019. Accordingly, the Company/ its Registrar and Transfer Agent have stopped accepting any fresh lodgement for transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

(j). Shareholding Pattern/Distribution of shareholding as on March 31, 2023:

| Category of shareholders | Shareholding | % of Holding |
|---|-----------------|--------------|
| A. Promoter & Promoter Group | 16098306 | 68.93 |
| Sub –Total (A) | 16098306 | 68.93 |
| B. Public Shareholding | | |
| Institutions | | |
| Financial Inst/banks | 2600 | 0.01 |
| Non-Institutions | | |
| Individuals | 4975900 | 21.31 |
| Body Corporates | 1936764 | 8.29 |
| Non Resident Indians (NRI): | | |
| N R I - Non - Repatriable | 66701 | 0.29 |
| N R I -Repatriable | 128564 | 0.55 |
| Clearing Members | 4712 | 0.02 |
| Hindu Undivided Family(HUF) | 139573 | 0.60 |
| Unclaimed/Suspense/ Escrow A/C | 100 | 0.00 |
| Sub-Total (B) | 7254914 | 31.07 |
| Total (A+B) | 23353220 | 100 |

Distribution of Shareholding based on Shares held as on March 31, 2023

| Share Holding of Nominal Value of Rs. | No. of Shareholders | % of Shareholders | No. of Shares Held | % of shareholding |
|---------------------------------------|---------------------|-------------------|--------------------|-------------------|
| Up To 5000 | 5302 | 82.93 | 614255 | 2.6303 |
| 5001 To 10000 | 464 | 7.25 | 369918 | 1.5840 |
| 10001 To 20000 | 239 | 3.73 | 359562 | 1.5397 |
| 20001 To 30000 | 118 | 1.84 | 297345 | 1.2733 |
| 30001 To 40000 | 59 | 0.92 | 209593 | 0.8975 |
| 40001 To 50000 | 44 | 0.68 | 208897 | 0.8945 |
| 50001 To 100000 | 75 | 1.17 | 547227 | 2.3433 |
| 100001 and above | 92 | 1.43 | 20746423 | 88.8375 |
| TOTAL | 6393 | 100.00 | 23353220 | 100.00 |

(k) Dematerialization of Shares and liquidity as on 31st March, 2023

| Particulars | No. of Shares | % of Total capital |
|---|---------------------|--------------------|
| Dematerialized* | 2,31,17,837 | 98.99 |
| Physical | 2,35,383 | 1.01 |
| Total | 2,33,53,220 | 100.00 |
| Total Issued Capital (includes forfeited shares) | *2,47,32,600 | 100.00 |

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

(l) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;

The Company does not have any outstanding Global Depository Receipt or American Depository Receipt or any other convertible instruments.

(m) Company is in the business of Non-Banking Finance Company, hence no plant information can be provided as such.

(n) Address for correspondence:

Registered Office: F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020

(o) Transfer of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF):

No amount of unclaimed dividend is due for transfer to Investor Education and Protection Fund.

(p) 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.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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 & NSE and is also placed at the meetings of the Board of Directors.

(q) For any query on Annual Report:-

Secretarial Department

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

8. OTHER DISCLOSURES:

(a) Disclosure on Materially significant related party transaction:

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

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.

(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) Establishment of Vigil Mechanism/Whistle Blower Policy:

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI Listing Regulations, the Company had adopted Whistle Blower Policy/Vigil Mechanism applicable for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or

ethics policy. It also provides for adequate safeguards against victimization of Directors/ employees who avail the mechanism.

The Company affirms that no personnel have been denied access to the Audit Committee. In order to ensure proper functioning of vigil mechanism, the Audit Committee of the Company on quarterly basis take note of the same. The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e www.avonmorecapital.in

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company had not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule-II of the LODR except the following:

1. The Company has separate post for the Managing Director and Chairperson of the Company
2. The Internal Auditor reports directly to the Audit Committee.

(e) Web link where policy for determining 'material' subsidiaries is disclosed and policy for dealing related party transactions

Almondz Global Securities Limited & Anemone Holdings Private Limited is a material subsidiary as per the thresholds laid down under the Listing Regulations. The revised Policy on 'material subsidiaries' in terms of Regulation 16(1)(c) of the SEBI Listing Regulations is placed on the Company's website at the following link: www.avonmorecapital.in

(f) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure to commodity price risks or foreign exchange risk and hedging activities.

(g) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of LODR

During the period under review, Company has not raised any funds through preferential allotment or qualified institutions placement.

(h) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as "Annexure -1" certifying none of the directors on the board have been debarred or disqualified.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

(i) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. None

(J) Fees paid to the Statutory Auditors:

During FY 2022-23 A total fee of ₹ 9.41 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:

(Rupees in Lakhs)

| Name of the Company | Status of Company | Amount Paid |
|--|-------------------------|-------------|
| Avonmore Capital & Management Services Limited | Holding Company | 2.15 |
| Almondz Global Securities Limited | Subsidiary | 7.00 |
| Anemone Holdings Private Limited | Wholly Owned Subsidiary | 0.03 |
| Almondz Infosystem Private Limited | Wholly Owned Subsidiary | 0.03 |
| Apricot Infosoft Private Limited | Wholly Owned Subsidiary | 0.05 |
| Avonmore Developers Private Limited | Wholly Owned Subsidiary | 0.05 |
| Glow Apparels Private Limited | Wholly Owned Subsidiary | 0.05 |
| Red Solutions Private Limited | Wholly Owned Subsidiary | 0.05 |

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and 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. Details of the complaints as on 31.03.2023 are as under:

| | |
|--|----------------|
| number of complaints filed during the financial year | Nil |
| Number of complaints disposed off during the year | Not applicable |
| number of complaints pending as on end of the financial year | Nil |

(l) Disclosure pursuant to Loans and advances by the Company and Subsidiaries in the nature of loans to firms/ companies in which directors are interested are given in the Notes to the Financial Statements.

(j) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

| S. No | Name of the Material Subsidiaries | Date and Place of incorporation | Name of Statutory Auditor | Date of Appointment of the Statutory auditor |
|-------|-----------------------------------|---------------------------------|--|--|
| 1. | Almondz Global Securities Limited | 28/06/1994 New Delhi | M/s Mohan Gupta & Company, Chartered Accountants | September 20, 2022 |
| 2. | Anemone Holdings Private Limited | 17/07/2014 New Delhi | M/s Mohan Gupta & Company, Chartered Accountants | September 30, 2022 |

11. THE COMPANY HAS COMPLIED WITH THE REQUIREMENTS OF PART C (CORPORATE GOVERNANCE REPORT) OF SUB-PARAS (2) TO (10) OF SCHEDULE V OF THE SEBI LISTING REGULATIONS.

12. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2):

The Company has duly complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of LODR.

Also, all the requisite disclosures as per Schedule V of LODR are provided in this report.

13. CEO/CFO CERTIFICATION:

The requisite certification from the Managing Director and Chief Financial Officer for the Financial Year 2022-23 required to be given under Regulations 17(8) and 33(2) of the SEBI Listing Regulations was placed before the Board of Directors of the Company at its meeting held on 14th August, 2023 and the same is annexed to the report as **Annexure -2**

14. CERTIFICATE FROM THE STATUTORY AUDITOR REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A certificate from the Statutory Auditor is enclosed as “**Annexure-3**” certifying the compliance of corporate governance requirements by the Company.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

15. EQUITY SHARES IN THE DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

In accordance with requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of the Equity Shares, which were issued by the Company from time to time and lying in the suspense account is as under:

| Description | No. of shareholders | No. of Equity shares |
|--|---------------------|----------------------|
| Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2022 | 0 | 0 |
| Number of Shareholders who approached the Company for transfer of shares from suspense account during the year | 0 | 0 |

| Description | No. of shareholders | No. of Equity shares |
|--|---------------------|----------------------|
| Number of Shareholders to whom shares were transferred from the suspense account during the year | 0 | 0 |
| Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2023 | 1 | 100 |

The voting rights on the shares outstanding in suspense account as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

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 14, 2023

Annexures to the statement on Corporate Governance

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 of
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 M/s. 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, 2023 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.

| Sr No | Name of the Director | DIN | Date of Appointment |
|--------------|-----------------------------|------------|----------------------------|
| 1 | Ms. Ashu Gupta | 00007836 | 20/03/2015 |
| 2 | Mr. Govind Prasad Agrawal | 00008429 | 19/03/2007 |
| 3 | Mr. Shyam Sunder Lal Gupta | 00044635 | 30/07/2008 |
| 4 | Mr. Ajay Kumar | 01954049 | 12/11/2013 |
| 5 | Mr. Bhupinder Singh | 00062754 | 27/09/2019 |
| 6 | Mr. Ashok Kumar Gupta | 02590928 | 31/12/2011 |

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 the 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**

**(Neeraj Gupta)
Prop.
M.No. F 5720,
C.P. No. 4006
UDIN: F005720E000740399**

**Place: New Delhi
Date: August 04, 2023**

**Corporate Governance Report of Avonmore Capital & Management Services Limited
Declaration regarding Affirmation of compliance with the Code of Conduct**

I hereby confirm that the Company has received affirmations on compliance with the Code of conduct for the financial year ended March 31, 2023 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of LODR, 2015.

**Ashok Kumar Gupta
Managing Director
(DIN No: 02590928)**

**Place: New Delhi
Date: August 14, 2023**

CEO/CFO CERTIFICATE

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 ended 31st March, 2023 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;
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting, if any.

For Avonmore Capital & Management Services Limited

Place : New Delhi
Date : August 14, 2023

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

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, 2023, 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, 2022 to March 31, 2023.

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
FRN 006519N

CA Himanshu Gupta
Partner
M No. 527863
UDIN No. 23527863BGXHPI3798

Place: New Delhi
Date: May 30, 2023

MANAGEMENT DISCUSSION & ANALYSIS REPORT

FORWARD LOOKING STATEMENTS

The statements in the “Management Discussion and Analysis Report” describe the Company’s objectives, projections, expectations, estimate or forecasts which maybe “forward-looking statements” within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied therein due to risks and uncertainties. Important factors that could influence the Company’s operations, inter alia, include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

Economy, Industry Structure & Development

Global Economy

The global economy continues to remain in a volatile state. Global growth is slowing sharply in the face of reduced investments, elevated inflation and interest rates, along with the consequent supply chain disruptions caused by Russia Ukraine crisis. The current geopolitical developments are leading to heightened uncertainty and most countries are experiencing a scenario of multi-decadal high inflation. Gradually, inflation has returned to target levels due to the widespread and synchronised tightening of monetary policy by the majority of central banks. In addition, COVID-19 strains caused widespread outbreaks that severely affected economies, especially China. The weakening of consumer spending, and investment has resulted in significant global economic declines in terms of growth. The global economy is anticipated to grow by 2.8% in 2023 and 3.0% in 2024, as compared to 3.4% in 2022.. Uncertainty about the course of the war in Ukraine and its consequences will continue to persist in the near future. The Middle East region is expected to maintain higher investment outlays, and besides oil, the region is also diversifying into clean energy and other industrial sectors. In this scenario, localisation trends, possible rearrangement of the global supply chain and the consequent shift in export hubs and de-carbonisation objectives are all factors which are working in favour of India to become the world’s third-largest economy by 2030.

Indian Economy

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India’s recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months. Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing

the pent-up demand over the period of April-September 2022. The sector’s success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India’s nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030. According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India’s current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India’s trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030. In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India’s comparatively strong position in the external sector reflects the country’s generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022. India’s economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. Despite the continued global slowdown, India’s exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

INDUSTRY STRUCTURE AND DEVELOPMENTS

In the recent decade, Non-Banking Financial Companies (NBFCs) have emerged as one of the principal institutions in After weathering countless challenges over the past three fiscals, exacerbated by the Covid-19 pandemic, fiscal 2023 has brought growth back into focus for NBFCs¹. This is expected to continue into fiscal 2024, with assets under management (AUM) of NBFCs projected to increase 13-14% vis-a-vis single-digit growth over the past three fiscals (2020-22). The acceleration will ride on improving economic activity, strengthened balance sheet buffers, and better asset quality metrics. Indeed, NBFCs are critical to overall credit delivery in India, as indicated by exponential increase in AUM from Rs 3.6 lakh crore in fiscal 2008 to Rs 27 lakh crore at present. For a better understanding of their criticality in the credit space, NBFCs accounted for almost 16% share of overall credit in fiscal 2022. Over the past three fiscals, NBFCs largely focussed on liquidity, capital and provisioning buffer. These, combined with the consistent improvement in economic activity, have put the sector in a better position today to capitalise on growth opportunities. That said, two key monitorables remain. First, intensifying competition from banks, especially in the traditional retail segments of home loans and vehicle finance. Second, rising interest rates have increased the cost of borrowing for NBFCs, which is limiting their competitiveness in some asset classes. To be sure, NBFCs are realigning their portfolio strategies to combat these challenges. Their focus is shifting towards non-traditional asset classes—unsecured loans; micro, small and medium enterprise (MSME) finance; and used vehicle finance—which are expected to post higher growth. Consequently, these segments are garnering higher share in incremental disbursements. While the traditional segments will also grow, the rate is unlikely to surpass the pre-pandemic levels. As large NBFCs tap new segments, co-lending and partnerships with the emerging and mid-sized NBFCs will gain traction. With this shift and NBFCs being able to pass on the increase in cost of borrowing to consumers, at least in incremental disbursements, gross spreads are likely to compress 40-60 basis points (bps) this fiscal. However, improvement in asset quality will provide some cushion. NBFCs have created substantial management overlays in the past few fiscals, which will provide support going forward. In fact, NBFCs are expected to dip into previously created management overlays, which along with improving asset quality metrics should lower credit costs. Net-net, the overall earnings profile for NBFCs is expected to remain stable.

OPPORTUNITIES & THREATS

After several challenging years, fiscal 2023 has brought growth back into focus for NBFCs. To be sure, NBFCs have demonstrated an innovative and resilient streak over the years, adapting efficiently, even during the Covid-19 pandemic, to an evolving credit landscape. Today, they are stronger, more resilient and well placed to tap growth opportunities. NBFCs had steadily increased their market share till recent years, with AUM accounting for as much as 18% of the overall credit pie in March 2019, up from 12% in March 2008. Several challenges over the past three fiscals lowered their share to 16% in fiscal 2022, with banks making bigger growth strides. However, NBFC growth is expected to pick up from here on, which should help sustain their ~16% AUM share. Increase in NBFCs' AUM from just Rs 3.6 lakh crore in March 2008 to almost Rs 27 lakh crore in March 2022, and expected to increase further, indicates the importance of the sector to overall credit delivery in the economy.

NBFCs are stronger and more resilient today, and better positioned in almost all operationally critical parameters. On the capital front, NBFCs have raised almost Rs 70,000 crore of equity in the past 3.5 years, which has materially improved gearing. The subdued business landscape in the past three fiscals also contributed to the better gearing. Provisioning levels also increased in the past couple of years, as NBFCs created management overlays to provide for uncertainty pertaining to the pandemic. Overall, the sector has stronger balance sheets.

While NBFCs are relatively well placed today as compared with the past few years, competition from banks and the rising interest rate scenario pose challenges. Competition from banks has intensified, especially in the traditional segments. The banking system has also gone through its fair share of cycles. Grappling with asset quality concerns, inadequate provisioning and weak capital buffers in 2018, the banking sector now has manageable non-performing assets (NPAs) with a healthy provision coverage ratio (PCR) and comfortable capital buffers; and is well placed to tap growth opportunities. In fact, banks have outpaced NBFCs in growth since March 2020. While the gap has narrowed this fiscal, NBFCs continue to lag. At the same time, rising interest rates will limit the competitiveness of NBFCs in some segments. The repo rate has already been increased by 225 basis points (bps) this fiscal with another 25 bps hike anticipated, taking the total tally for the fiscal to ~250 bps. This will impact the borrowing cost for NBFCs. NBFCs have faced funding-access challenges in the past few years, especially in debt capital markets. Banks, though, have provided significant support to them, with bank credit to NBFCs touching an all-time high of Rs 11.7 lakh crore as of September 30, 2022. Consequently, the share of bank funding in the overall resource profile of NBFCs increased to 36% in September 2022 from 27% four years ago, nearly mirroring the drop in share of nonconvertible debentures (NCDs). For deposit-taking NBFCs, fixed deposits (FDs) were a big focus area, especially as bank FD rates were low. While debt capital market issuances have been subdued over the last year or so given the rising interest rate environment, there has been some uptick in the last quarter or so. Another funding route that has helped NBFCs is securitisation, including through direct assignment. Here, too, banks account for the bulk of pool purchases, providing indirect funding to the NBFC sector.

OUTLOOK

While NBFCs have seen decadal low growth in fiscals 2020 and 2021, they are expected to ride on the tailwinds of improved macroeconomic fundamentals and strengthened balance sheets, and expand 13-14% in fiscal 2024. Growth will likely be relatively broad-based across retail segments, although the share of non-traditional segments such as unsecured loans and MSME finance is expected to increase in incremental disbursements. Nevertheless, competition from banks in the primary segments of home loans and vehicle finance remains intense, and NBFCs could concede share to banks, especially in the salaried home loans and new vehicle finance space. Indeed, the rising rate scenario is limiting the competitiveness for NBFCs in traditional segments. That said, given the economic rebound, growth should be broad-based for NBFCs, with larger NBFCs consolidating their positions in the overall AUM pie. Therefore, we believe for the small to mid-sized NBFCs, co-lending/partnerships will gain prominence and be critical for their growth journey over the medium term. The improved balance sheets of NBFCs and abating of asset quality concerns

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will also support this growth trajectory. Asset quality metrics across segments have improved in the first half of fiscal 2023, and the fundamentals are expected to hold over the medium term with the improving macro environment. Furthermore, restructured books are negligible now. Nevertheless, inflationary pressures, interest rates and job losses remain monitorables. Amid rising rates, borrowing costs are set to increase. But with higher provisioning buffers, credit costs are expected to be lower and support the bottom line. The AUM of the NBFC sector has grown from less than Rs 2 lakh crore at the turn of the century to ~Rs 27 lakh crore now. From 12% in March 2008, the sector accounted for 16% of the overall financial sector credit ecosystem in March 2022. The key role that NBFCs play in furthering financial inclusion is expected to continue given the inherent strengths of last-mile funding and their ability to cater to customer segments that are difficult to address. The ability of NBFCs to adapt and innovate in this dynamic environment remains key to their long-term success.

FINANCIAL PERFORMANCE

During the year under review, On a Standalone basis, the total revenue for FY 2023 amounted to Rs. 3,538.65 Lakhs as compared to Rs. 415.26 Lakh in the previous FY 2022. On a Consolidated basis, the total revenue for FY 2023 amounted to Rs.21,479 Lakhs, as compared to Rs. 8,719 Lakhs in the previous FY 2022.

On a Standalone basis, the PAT for FY 2023 amounted to Rs.2,025.02 Lakhs as compared to Rs. 137.75 Lakhs in the previous FY 2022. On a Consolidated basis, the PAT for FY 2023 is amounted to Rs. 12,186 Lakhs as compared to Rs 4,044 Lakhs in the previous FY 2022.

SEGMENT WISE PERFORMANCE

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

(Amount in Lakhs)

| Segment | Particulars | Year ended 31 March 2023 |
|---------------------------------|-------------------|-----------------------------|
| Investment Activities | Net Revenue | 2588 |
| | Expenses | - |
| | Profit before Tax | 2588 |
| Debt & Equity Market Operations | Net Revenue | 144 |
| | Expenses | 117 |
| | Profit before Tax | 27 |
| Finance Activities | Net Revenue | 803 |
| | Expenses | 712 |
| | Profit before Tax | 91 |

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

(Amount in Lakhs)

| Segment | Particulars | Year ended 31 March 2023 |
|---------------------------------|-------------------|-----------------------------|
| Debt & Equity Market Operations | Net Revenue | 1007 |
| | Expenses | 604 |
| | Profit before Tax | 403 |
| Finance Activities | Net Revenue | 796 |
| | Expenses | 607 |
| | Profit before Tax | 189 |

| Segment | Particulars | Year ended 31 March 2023 |
|--|-------------------|-----------------------------|
| Consultancy and Advisory Fees | Net Revenue | 5085 |
| | Expenses | 4836 |
| | Profit before Tax | 249 |
| Wealth Advisory and Broking Activities | Net Revenue | 1140 |
| | Expenses | 1028 |
| | Profit before Tax | 112 |
| Investment Activities | Net Revenue | 12888 |
| | Expenses | -447 |
| | Profit before Tax | 13335 |
| Healthcare Activities | Net Revenue | 197 |
| | Expenses | -59 |
| | Profit before Tax | (256) |

KEY FINANCIAL RATIOS

(Amount in Lakhs)

| Key Ratios/Industry Specific Ratios | 2022-23 | 2021-22 |
|-------------------------------------|---------|---------|
| Debtors Turnover (No. of days) | 221 | 153 |
| Operating Profit Margin (%) | 92.90% | 66.01% |
| Return on Net Worth (%) | 18.24% | 1.35% |

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 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.

| 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 |

The Company has policies covering specific areas, such as interest rate risk, credit risk, liquidity risk, and the use of derivative

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and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party 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 on going 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 counter party 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.

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 an aging liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when the year 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. 41.54 lac as at March 31, 2023 (March 31, 2022: Rs.267.64 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.

(i) 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 optimizing the return.

(ii) 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 expose 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.

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 web sites and participates in industry working groups that discuss evolving regulatory requirements. Training on compliance matters is imparted to employees on an on going basis.

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

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internal audit and compliance functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of operations. The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically. Moreover, ACMS continuously upgrades these systems in line with the best available practices. The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary/considered appropriate. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The established Internal Control Systems of your company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly.

HUMAN RESOURCE

The Company is having dedicated employees who help the Company in achieving its goals. People remain the most valuable asset of your Company. Your Company is professionally managed with senior management personnel having rich experience and long tenure with the Company. 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.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis of Financial Conditions describing the Company's objectives, expectations or predictions may be forward looking with in 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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s. Avonmore Capital & Management Services Limited (“the Company”)** which comprises the Balance Sheet as at March 31, 2023, 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, 2023, **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 thereunder, 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 on the standalone financial statements.

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, 2023. 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 loans (As described in accounting policies) | Income against advancing |
| Revenue is recognized to the extent it is possible that economic benefits will flow to the Company and revenue can be reliably measured. 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. | 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. |

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 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 are 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 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 an 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 Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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
UDIN : 23527863BGXHQA3077

Place : New Delhi
Date : 30-05-2023

Annexure - A to the Auditors' Report

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 2023 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 2023, 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
UDIN : 23527863BGXHQA3077

Place : New Delhi
Date : 30-05-2023

Annexure-B to the Independent Auditors' Report

M/s. Avonmore Capital & Management Services Limited 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 2023. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- I) In respect of the Company's Property, Plant and Equipment and Intangible Assets.
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets. According to the information and explanations given to us, Property, Plant and Equipment and right-of-use assets 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 and Equipment and right-of-use assets has been physically verified by the management during the year and no material discrepancies between the book's records and the physical Property, Plant and Equipment and right-of-use assets have been noticed.
- c) The company does not own any immovable property. Therefore, reporting under clause 1(c) of the Order is not applicable.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- II) (A) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (B) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- III) The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- a) Since the principal business of the company is to give/ advance loans, therefore reporting under clause 3(iii)(a) of the Order is not applicable.
- b) In our opinion, the investments made and the terms and conditions of the grant of loans during the year are prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount of more than 90 days remaining outstanding as at the balance sheet date.
- e) Since the principal business of the company is to give/ advance loans, therefore reporting under clause 3(iii)(e) of the Order is not applicable.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- IV) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- V) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- VI) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- VII) In respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes are given below:

| Nature of Statute | Nature of Dues | Forum where Dispute is pending | Period to which amounts relate | Amount in Crores Rs. |
|-------------------|----------------|--------------------------------|--------------------------------|----------------------|
| -----NIL----- | | | | |

- VIII) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- IX) a) The company has not defaulted on repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- c) On the basis of examination of the financial statement, the company has applied for the term loans for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- X) a) The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the company during the year (and up to the date of this report), while determining the nature, timing, and extent of the audit procedure.
- XII) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- XIII) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- XV) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI) a) The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) In our opinion, the group has not more than 1 core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- XVII) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XVIII) There was no resignation of the statutory auditors of the Company during the year.
- XIX) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX) a) Since section 135(5) of the companies' act is not applicable to the company, reporting under clause 3(XX) (a) is not applicable.
- b) Since section 135(5) of the companies' act is not applicable to the company, hence reporting under clause 3(XX)(b) is not applicable.

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

CA Himanshu Gupta
Partner

Place : New Delhi
Date : 30-05-2023

M.No. 527863

UDIN : 23527863BGXHQA3077

Standalone Balance Sheet as at March 31, 2023

(All amounts are in Rupees in lac, unless otherwise stated)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------|------|-------------------------|-------------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 3 | 388.55 | 41.54 |
| Receivables | | | |
| Trade receivables | 4 | 686.66 | 930.88 |
| Loans | 5 | 7,569.74 | 5,168.29 |
| Investments | 6 | 9,960.94 | 6,450.17 |
| Other financial assets | 7 | 9.51 | 0.86 |
| Inventories | 8 | 3,027.33 | 0.00 |
| | | 21,642.73 | 12,591.74 |
| Non-financial assets | | | |
| Income tax assets (net) | 9 | 59.86 | 13.02 |
| Deferred tax assets (net) | 10 | 74.60 | 89.96 |
| Property, plant and equipment | 11 | 21.05 | 1.98 |
| Intangible assets | 12 | 0.49 | 0.59 |
| Right-of-use assets | 13 | 5.84 | - |
| Other non-financial assets | 14 | 516.63 | 512.82 |
| | | 678.47 | 618.37 |
| Total Assets | | 22,321.20 | 13,210.11 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| Payables | | | |
| Trade payables | 15 | 1.75 | 7.50 |
| Borrowings other than debt securities | 16 | 10,413.81 | - |
| Lease liabilities | 17 | 6.05 | - |
| Other financial liabilities | 18 | 492.68 | 66.00 |
| | | 10,914.29 | 73.50 |
| Non-financial liabilities | | | |
| Provisions | 19 | 38.21 | 25.23 |
| Other non-financial liabilities | 20 | 62.03 | 2,805.23 |
| | | 100.24 | 2,830.46 |
| Equity | | | |
| Equity share capital | 21 | 2,400.40 | 2,492.17 |
| Other equity | 22 | 8,906.27 | 7,813.98 |
| | | 11,306.67 | 10,306.15 |
| Total Liabilities and Equity | | 22,321.20 | 13,210.11 |

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

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

Himanshu Gupta
Partner
Membership No.: 527863
UDIN - 23527863BGXHQA3077

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Place: New Delhi
Date: 30th May 2023

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in Rupees in lac, unless otherwise stated)

| Particulars | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | | | |
| Interest income | 23 | 802.90 | 365.05 |
| Dividend income | 24 | 4.97 | - |
| Net gain / loss on fair value changes | 25 | (1.97) | - |
| Other operating income | 26 | 2,728.95 | 19.27 |
| | | 3,534.85 | 384.32 |
| Other income | 27 | 3.80 | 30.94 |
| | | 3.80 | 30.94 |
| Total Income | | 3,538.65 | 415.26 |
| Expenses | | | |
| Finance costs | 28 | 577.91 | 48.14 |
| Fees and commission expense | 29 | 16.50 | 19.50 |
| Impairment on financial instruments | 30 | 6.87 | 2.40 |
| Employee benefits expenses | 31 | 92.26 | 81.05 |
| Depreciation and amortisation | 32 | 3.75 | 0.56 |
| Other expenses | 33 | 135.54 | 72.57 |
| Total Expenses | | 832.83 | 224.22 |
| Profit before exceptional items and tax | | 2,705.82 | 191.04 |
| Exceptional items | | - | - |
| Profit before tax | | 2,705.82 | 191.04 |
| Tax expense: | | | |
| Current tax | 44 | 690.01 | 56.38 |
| Adjustment for prior years | 44 | 0.49 | 0.30 |
| MAT credit (entitlement) / utilised | 44 | - | - |
| Deferred tax charge | 44 | (11.26) | (3.39) |
| | | 679.24 | 53.29 |
| Profit after tax | | 2,026.58 | 137.75 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | 38 | (3.72) | 2.48 |
| - Equity instruments through other comprehensive income | 38 | 43.25 | - |
| - Income tax relating to these items | 44 | (3.73) | (0.69) |
| Other comprehensive income for the year | | 35.80 | 1.79 |
| Total comprehensive income | | 2,062.38 | 139.54 |
| Earnings per equity share (in Rs.): | | | |
| Nominal value of Rs. 10 each (Previous year Rs. 10 each) | | | |
| -Basic & Diluted earning per share | 34 | 8.57 | 0.57 |

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 - 23527863BGXHQ3077

Place: New Delhi
Date: 30th May 2023

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

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Standalone Statement of Cash Flows for the year ended March 31, 2023

(All amounts are Rupees in lacs unless otherwise stated)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------|---|--------------------------------------|--------------------------------------|
| A | Cash flow from operating activities | | |
| | Profit before tax | 2,705.82 | 191.04 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | 1.81 | 0.56 |
| | Profit on sale investments | (2,583.23) | - |
| | Provisions created/(written back) | 6.76 | 35.34 |
| | Miscellaneous income | (3.68) | (0.63) |
| | Dividend income classified as investing cash flows | (4.97) | - |
| | Impairment on financial instruments | 6.87 | 2.40 |
| | Balances written off | 88.84 | 0.07 |
| | Provision for employee benefits | 2.53 | 3.30 |
| | Finance costs | 577.91 | 48.14 |
| | Operating profit before working capital changes | 798.66 | 280.22 |
| | Movement in working capital | | |
| | Decrease/(increase) in trade receivables | 148.51 | (119.87) |
| | (Increase) in loan | (2,401.45) | (2,106.71) |
| | Decrease/(increase) in other financial assets | (8.65) | 11.33 |
| | Decrease/(increase) in inventories | (3,027.33) | - |
| | Decrease/(increase) in other non-financial assets | (9.65) | (2.73) |
| | Increase/(decrease) in trade and other payables | (5.75) | (1.61) |
| | Increase/(decrease) in other financial liabilities | 436.40 | 11.56 |
| | Increase/(decrease) in other non-financial liabilities | (2,743.20) | 2,800.28 |
| | Increase/(decrease) in provisions | (0.03) | (30.15) |
| | Cash generated from/ (used in) operations | (6,812.49) | 842.32 |
| | Less: Income Tax Paid (net of refunds) | (714.44) | (36.30) |
| | Net cash inflow from/ (used in) operating activities (A) | (7,526.93) | 806.02 |
| B | Cash flows from investing activities | | |
| | Payments for property, plant and equipment and intangible assets / Shares | (20.78) | - |
| | Dividend Income | 4.97 | - |
| | Sale / Purchase of investment | (875.59) | (21.74) |
| | Net cash inflow from/ (used in) investing activities (B) | (891.39) | (21.74) |
| C | Cash flows from financing activities | | |
| | Finance cost | (577.91) | (48.14) |
| | Buy Back (Including Tax, Expenses and Repayment of Capital) | (1,070.56) | - |
| | Proceeds from borrowings (net) | 10,413.81 | (962.25) |
| | Net cash inflow from/ (used in) financing activities (C) | 8,765.34 | (1,010.39) |
| | Net increase (decrease) in cash and cash equivalents (A+B+C) | 347.01 | (226.11) |
| | Cash and cash equivalents at the beginning of the year | 41.54 | 267.65 |
| | Cash and cash equivalents at the end of the year | 388.55 | 41.54 |
| | Notes to statement of cash flows | | |
| (i) | Components of cash and bank balances (refer note 3) | | |
| | Cash and cash equivalents | | |
| | - Cash on hand | 1.01 | 2.00 |
| | - Balances with banks in current account | 387.54 | 39.54 |
| | Cash and bank balances at end of the year | 388.55 | 41.54 |

- (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 51.

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 - 23527863BGXHQA3077

Place: New Delhi
Date: 30th May 2023

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

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Sonal
Company Secretary
ACS: A57027

Govind Prasad Agrawal
Director
DIN: 00008429

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Standalone Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in Rupees in lac , unless otherwise stated)

A. Equity Share capital

| | |
|--|----------|
| Balance as at April 1, 2021 | 2,492.17 |
| Changes In Equity Share Capital due to prior period errors | - |
| Restated balance at the beginning of previous reporting period | 2,492.17 |
| Change in equity share capital during 2021-22 | - |
| Balance as at March 31, 2022 | 2,492.17 |
| Changes In Equity Share Capital due to prior period errors | - |
| Restated balance at the beginning of current reporting period | 2,492.17 |
| Change in equity share capital during 2022-23 | -91.77 |
| Balance as at March 31, 2023 | 2,400.40 |

B. Other Equity

| Particulars | Attributable to owners of the company | | | | | | | Total |
|---|---------------------------------------|-----------------|-----------------|-------------------|----------------------------|---|---|-----------------|
| | Securities premium | Special Reserve | Capital Reserve | Retained Earnings | Capital Redemption Reserve | Gain on Equity instruments through other comprehensive income | Reserves & Surplus Remeasurement of defined benefit obligations | |
| Balance as at April 1, 2021 | 2,564.18 | 811.32 | 744.49 | 3,552.49 | | | 1.97 | 7,674.44 |
| Changes due to prior period errors | | | | | | | | |
| Restated balance at the beginning of previous reporting period | 2,564.18 | 811.32 | 744.49 | 3,552.49 | - | | 1.97 | 7,674.44 |
| Profit for FY 2021-22 | - | - | - | 137.75 | | | - | 137.75 |
| Other comprehensive income | - | - | - | | | | 1.79 | 1.79 |
| Total comprehensive income for FY 21-22 | - | - | - | 137.75 | | | 1.79 | 139.54 |
| Adjustments during the year | - | 27.85 | - | (27.85) | | | | - |
| Balance as at March 31, 2022 | 2,564.18 | 839.17 | 744.49 | 3,662.39 | | | 3.76 | 7,813.98 |
| Changes due to prior period errors | - | - | - | - | | | - | - |
| Restated balance at the beginning of previous reporting period | 2,564.18 | 839.17 | 744.49 | 3,662.39 | - | | 3.76 | 7,813.99 |
| Profit for FY 2022-23 | - | - | - | 2,026.58 | | | | 2,026.58 |
| Other comprehensive income | - | - | - | - | | 8.70 | 35.80 | 44.50 |
| Total comprehensive income for FY 22-23 | 2,564.18 | 839.17 | 744.49 | 5,688.97 | - | 8.70 | 39.56 | 9,885.07 |
| Adjustments during the year | - | 405.48 | - | (405.48) | | | | - |
| Adjustments during the year | | | | (91.77) | 91.77 | | | - |
| Adjustments for buy back of shares during the year | | | | (978.80) | | | | (978.80) |
| Balance as at March 31, 2023 | 2,564.18 | 1,244.64 | 744.49 | 4,212.93 | 91.77 | 8.70 | 39.56 | 8,906.27 |

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 - 23527863BGXHQA3077

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

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP6127D

Place: New Delhi
Date: 30th May 2023

Notes to the financial statements for the year ended March 31, 2023

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') and National Stock Exchange ('NSE'). 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, 2023 were authorised and approved for issue by the Board of Directors on May 30, 2023.

The significant accounting policies adopted for preparation and presentation of these financial statement are included in Note 2. These policies have been applied consistently applied to all the financial year presented in the financial statements except where newly issues accounting standard is initially adopted or revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss and disclosures are presented in the format prescribed under Division III of Revised Schedule III of the companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flow.

The financial statements have been prepared under the historical cost convention and accrual basis, except for certain financial assets and liabilities, defined benefit-plan liabilities and share-based payments being measured at fair value.

(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.

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.

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.

Investment Property

Property that is held to earn rentals and for capital appreciation. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

(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 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 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 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 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 Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this

amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

3 Cash and cash equivalents

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Cash on hand | 1.01 | 2.00 |
| Balances with banks -on current accounts | 387.54 | 39.54 |
| | 388.55 | 41.54 |

4 Trade receivables

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Unsecured, Undisputed and considered good | | |
| Trade receivables | - | 580.61 |
| Interest accrued on loans | 700.67 | 357.42 |
| Credit impaired | | |
| Less: Allowance for impairment | (14.01) | (7.15) |
| | 686.66 | 930.88 |

Trade Receivables ageing schedule on 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|---------------------|-----------|-----------|----------------------|-----------------------------|---------------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for impairment | |
| (i) Undisputed Trade receivables – considered good | 700.68 | - | - | - | - | (14.01) | 686.66 |
| (ii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 700.68 | - | - | - | - | (14.01) | 686.66 |

Trade Receivables ageing schedule on 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|---------------------|-----------|-----------|----------------------|-----------------------------|---------------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for impairment | |
| (i) Undisputed Trade receivables – considered good | 357.42 | - | - | - | 580.61 | (7.15) | 930.88 |
| (ii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 357.42 | - | - | - | 580.61 | (7.15) | 930.88 |

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 42.
- (iii) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 42.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

5 Loans

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Loans and advances to related parties | 1,618.35 | 1,487.15 |
| Loans and advances to others | 5,951.39 | 3,681.14 |
| Less: Provision for non-performing assets | - | - |
| | 7,569.74 | 5,168.29 |
| Out of the above | | |
| Loans in India | | |
| -Public sector | - | - |
| Less: Impairment loss allowance | - | - |
| -Others | 7,569.74 | 5,168.29 |
| Less: Impairment loss allowance | - | - |
| Total in India | 7,569.74 | 5,168.29 |
| Loans outside India | - | - |

6 Investments

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (a) Investment in subsidiaries and Associate (Equity instruments) | | |
| Unquoted, at cost | | |
| 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 |
| Less: Diminution in the value of investment | - | - |
| | 1,433.75 | 1,433.75 |
| Quoted, at cost | | |
| Almondz Global Securities Limited | 4,163.56 | 3,824.59 |
| Quoted, at fair value through OCI | | |
| Quoted Investments in Equity Shares | | |
| Apollo Pipes Limited | 65.78 | - |
| Irb Invit Fund | 57.49 | - |
| Jbf Industries Limited | 1.35 | - |
| Maharashtra Seamless Limited | 588.84 | - |
| Taal Enterprises Limited | 53.63 | - |
| Piramal Pharma Limited | 1.37 | - |
| Zee Entertainment Enterprises Limited | 3.18 | - |
| Vaibhav Global Limited | 2.73 | - |
| Orient Bell Limited | 4.87 | - |
| Lemon Tree Hotels Limited | 1.55 | - |
| Aksh Optifibre Limited | 4.25 | - |
| Happiest Minds Technolgies Ltd | 3.86 | - |

Notes to the standalone financial statements for the year ended March 31, 2023

6 Investments Contd...

(All amounts are in Rupees in lacs, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Aptus Value Housing Finance India Limited | 7.30 | - |
| Indian Railway Finance Corporation Ltd | 1.33 | - |
| Quoted Investments in Mutual Funds | | |
| Nippon India Index Fund - Mutual Fund | 29.34 | - |
| Icici Prudential Mutual Fund | 47.53 | - |
| | 5,037.96 | 3,824.59 |
| (b) Investment in subsidiaries (Preference shares) | | |
| Unquoted, at cost | | |
| Red Solutions Private Limited | | |
| 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 | 1,416.40 | 216.40 |
| | 2,377.40 | 1,177.40 |
| (c) Investment in other than subsidiaries (Equity shares) | | |
| Unquoted, at fair value | | |
| Globus Industries & Services Limited | 1.00 | 1.00 |
| Shivaz Spas & Hospitality Private Limited | 2.00 | 2.00 |
| SKTK Projects Limited | - | 2.60 |
| Incred Capital financial Services Private Ltd. | 100.00 | - |
| Premier Alcobev Private Ltd. | 1,000.00 | - |
| Less: Diminution in the value of investment | (3.00) | (3.00) |
| | 1,100.00 | 2.60 |
| (d) Investment in Government securities | | |
| National Savings Certificate | 0.23 | 0.23 |
| Less: Diminution in the value of investment | (0.23) | (0.23) |
| | - | - |
| (e) Other Investments, at cost | | |
| Painting & Sculpture | 11.83 | 11.83 |
| | 11.83 | 11.83 |
| Grand Total | 9,960.94 | 6,450.17 |
| Out of the above | | |
| -In India | 9,960.94 | 6,450.17 |
| -Others | - | - |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

7 Other financial assets

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------|-------------------------|-------------------------|
| Advances to | | |
| - employees | 0.50 | - |
| - others | - | 0.06 |
| Interest accrued but not due on loans | | |
| - from related parties | 6.53 | - |
| Other recoverables | | |
| - from related parties | 2.48 | 0.80 |
| - from others | - | - |
| | 9.51 | 0.86 |

8 Inventories

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| At fair value through profit or loss | | |
| Bonds - quoted | 3,027.33 | - |
| | 3,027.33 | 0.00 |

9 Income tax assets (net)

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------|-------------------------|-------------------------|
| Income tax assets | 59.86 | 13.02 |
| | 59.86 | 13.02 |

10 Deferred tax assets (net)

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| Deferred tax assets (refer note 44) | 19.27 | 11.74 |
| MAT credit entitlement | 55.33 | 78.22 |
| | 74.60 | 89.96 |

11 Property, plant and equipment

| Current year | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|---------------------------|-----------------------|---------------------------|----------------------|--------------------|--------------------------|--------------|----------------------|--------------------|--------------|
| | As at April 1, 2022 | Additions during the year | Disposal/ Adjustment | As at Mar 31, 2023 | As at April 1, 2022 | For the year | Disposal/ Adjustment | As at Mar 31, 2023 | |
| Computers and peripherals | 0.26 | - | - | 0.26 | 0.24 | - | - | 0.24 | 0.02 |
| Office equipments | 2.49 | - | - | 2.49 | 0.53 | - | - | 0.53 | 1.96 |
| Vehicles | - | 20.78 | - | 20.78 | - | 1.71 | - | 1.71 | 19.06 |
| Total | 2.75 | 20.78 | - | 23.53 | 0.77 | 1.71 | - | 2.48 | 21.05 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

Previous year

| Description | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|---------------------------|-----------------------|---------------------------|----------------------|--------------------|--------------------------|--------------|----------------------|--------------------|--------------------|
| | As at April 1, 2021 | Additions during the year | Disposal/ Adjustment | As at Mar 31, 2022 | As at April 1, 2021 | For the year | Disposal/ Adjustment | As at Mar 31, 2022 | As at Mar 31, 2022 |
| Computers and peripherals | 0.26 | - | - | 0.26 | 0.15 | 0.09 | - | 0.24 | 0.02 |
| Office equipments | 0.24 | 2.25 | - | 2.49 | 0.15 | 0.38 | - | 0.53 | 1.96 |
| Total | 0.50 | 2.25 | - | 2.75 | 0.30 | 0.46 | - | 0.77 | 1.98 |

Footnotes:

- (i) The Company has not carried out any revaluation of property, plant and equipment for the period ended March 31, 2023 and March 31, 2022.
- (ii) Please refer note 36 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 April 1, 2022 | Ind AS adjustments | Additions during the year | Disposal/ Adjustment | As at Mar 31, 2023 | As at April 1, 2022 | For the year | Disposal/ Adjustment | As at Mar 31, 2023 | As at Mar 31, 2023 |
| Computer Software | 0.97 | | | | 0.97 | 0.38 | 0.10 | | 0.47 | 0.49 |
| Total | 0.97 | - | - | - | 0.97 | 0.38 | 0.10 | - | 0.47 | 0.49 |

Previous year

| Description | Gross block (at cost) | | | | | Accumulated depreciation | | | | Net block |
|-------------------|-----------------------|--------------------|---------------------------|----------------------|--------------------|--------------------------|--------------|----------------------|--------------------|--------------------|
| | As at April 1, 2021 | Ind AS adjustments | Additions during the year | Disposal/ Adjustment | As at Mar 31, 2022 | As at April 1, 2021 | For the year | Disposal/ Adjustment | As at Mar 31, 2022 | As at Mar 31, 2022 |
| Computer Software | 0.97 | | | | 0.97 | 0.28 | 0.10 | | 0.38 | 0.59 |
| Total | 0.97 | - | - | - | 0.97 | 0.28 | 0.10 | - | 0.38 | 0.59 |

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, 2023 and March 31, 2022.
- (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 Right-of-use assets

| | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Operating lease right-of-use assets (refer note 40) | 5.84 | - |
| | 5.84 | - |

14 Other non-financial assets

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|----------------------|----------------------|
| Balance with government authorities | 15.70 | 11.36 |
| Capital Advance | 500.00 | 500.00 |
| Prepaid expenses | 0.93 | 1.46 |
| | 516.63 | 512.82 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

15 Trade payables

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Trade payables | | |
| - to micro and small enterprises (refer note 37) | - | - |
| - to others | 1.75 | 7.50 |
| | 1.75 | 7.50 |

Trade Payables ageing schedule on 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 1.75 | - | - | - | 1.75 |
| (iii) Disputed Dues- MSME | - | - | - | - | - |
| (iv) Disputed Dues- Others | - | - | - | - | - |
| Total | 1.75 | - | - | - | 1.75 |

Trade Payables ageing schedule on 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 7.50 | - | - | - | 7.50 |
| (iii) Disputed Dues- MSME | - | - | - | - | - |
| (iv) Disputed Dues- Others | - | - | - | - | - |
| Total | 7.50 | - | - | - | 7.50 |

16 Borrowings other than debt securities

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Secured, considered good | | |
| From Bank - refer to footnote | 15.66 | - |
| Unsecured, considered good | | |
| From others | 675.00 | - |
| From Related Party - refer to footnote | 9,723.16 | - |
| | 10,413.81 | - |

Footnote:

Term loan from HDFC Bank - for Creta Car is taken on 24.08.2022 amounting Rs.17.07 lac- repayable in 60 equated monthly installment of Rs. 0.35 lac from Oct 2022 and hypothecated against vehicle purchased. The last installment is due on 05-09-2027. The interest rate is 7.30 % p.a.

Loan from others represents loan from "Lakhi Gems Impex Pvt Ltd" which carries an interest rate of 9% p.a. and is repayable on demand.

Loan from related parties represents loan from "Annemone Holding Pvt Ltd. " which carries an interest rate of 6.50% p.a. and is repayable on demand.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

17 Lease liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------|-------------------------|-------------------------|
| Lease liabilities (refer note 40) | 6.05 | - |
| | 6.05 | - |

18 Other financial liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Payable to employess | 6.39 | 5.43 |
| ESOP Outstanding Payables* | 2.83 | 0.13 |
| Expenses/ others payable | 10.79 | 19.09 |
| Interest payable to others | 21.12 | - |
| Interest payable to related party | 451.55 | 41.35 |
| | 492.68 | 66.00 |

* The compensation committee in meeting of AGSL, holding company of the company held on 14th March 2022 has allotted 45,000 options under series "I" to eligible employees of the company.

19 Provisions

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Provision for employee benefits | | |
| -Gratuity | 15.94 | 9.69 |
| -Compensted absences | 0.71 | 0.83 |
| Contingent provisions for standard assets | 21.56 | 14.70 |
| | 38.21 | 25.23 |

20 Other non-financial liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Statutory dues payable | 62.03 | 7.05 |
| Advance received against sale of securities | - | 2,798.18 |
| | 62.03 | 2,805.23 |

21 Equity share capital

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 3,00,00,000 equity shares of Rs. 10 each | 3,000.00 | 3,000.00 |
| | 3,000.00 | 3,000.00 |
| Issued, subscribed and fully paid-up | | |
| 2,42,70,900 equity shares of Rs. 10 each | 2,427.09 | 2,427.09 |
| Add: 13,79,380 Equity shares forfeited | 65.08 | 65.08 |
| Less: Shares Extingusihed on Buy Back | (91.77) | - |
| | 2,400.40 | 2,492.17 |

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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

During the year ended March 31, 2023, 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, 2023 | | Year ended March 31, 2022 | |
|---|------------------------------|-----------------|------------------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of year | 24,270,900 | 2,427.09 | 24,270,900 | 2,427.09 |
| Less: Share Buyback | (917,680) | (91.77) | - | - |
| Outstanding at the end of the year | 23,353,220 | 2,335.32 | 24,270,900 | 2,427.09 |
| Add: Shares forfeited | 1,379,380 | 65.08 | 1,379,380 | 65.08 |
| Total Outstanding at the end of the year | 24,732,600 | 2,400.40 | 25,650,280 | 2,492.17 |

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

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------|----------------------|-----------|
| | No. of shares | % Holding | No. of shares | % Holding |
| Innovative Money Matters Private Limited | 9,166,629 | 39.25% | 9,053,010 | 37.30% |
| Navjeet Singh Sobti | 2,190,233 | 9.38% | 2,076,315 | 8.55% |
| Rakam Infrastructures Private Limited | 4,573,038 | 19.58% | 4,490,405 | 18.50% |

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

e). Details of Shareholding of Promoters

The details of the shares held by promoters as at March 31, 2023 and as at March 31 2022 are as follows :

| S. No | Name of the Promoter Group | No. of shares held as on 31.03.2023 | | No. of shares held as on 31.03.2022 | | % Change during the year |
|-------|----------------------------------|--|--------|--|--------|--------------------------|
| 1 | Navjeet Singh Sobti | 2,190,233 | 9.38% | 2,076,315 | 8.55% | 0.05 |
| 2 | Gurpreet Singh Sobti | 168,406 | 0.72% | 5,000 | 0.02% | 32.68 |
| 3 | Rakam Infrastructures Pvt Ltd | 4,573,038 | 19.58% | 4,490,405 | 18.50% | 1.84% |
| 4 | Innovative Money Matters Pvt Ltd | 9,166,629 | 39.25% | 9,053,010 | 37.30% | 0.01 |

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

22 Other Equity

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| a). Securities premium | | |
| Balance at beginning of the year | 2,564.18 | 2,564.18 |
| Additions during the year | - | - |
| Balance at end of the year | 2,564.18 | 2,564.18 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| b). Special reserve | | |
| Balance at beginning of the year | 839.16 | 811.31 |
| Additions during the year | 405.48 | 27.85 |
| Balance at end of the year | 1,244.64 | 839.16 |
| c). Capital reserve | | |
| Balance at beginning of the year | 744.49 | 744.49 |
| Additions during the year | - | - |
| Balance at end of the year | 744.49 | 744.49 |
| d). Capital Redemption Reserve | | |
| Balance at beginning of the year | - | - |
| Additions during the year | 91.77 | - |
| Balance at end of the year | 91.77 | - |
| e). Retained earnings | | |
| Balance at beginning of the year | 3,662.39 | 3,552.49 |
| Add: Profit/(loss) for the year | 2,026.58 | 137.75 |
| Less: Transfer to special reserve | (405.48) | (27.85) |
| Less: Tax on Buy Back of Equity Shares | (181.72) | - |
| Less: Expenses of Buy Back of Equity Shares | (17.05) | - |
| Less: Buy-Back of Equity Shares | (780.03) | - |
| Less: Capital Redemption Reserve | 91.77 | - |
| Balance at end of the year | 4,212.93 | 3,662.39 |
| f). Other comprehensive income | | |
| Balance at beginning of the year | 3.76 | 1.97 |
| Add: Other comprehensive income for the year | 35.80 | 1.79 |
| Add: Gain on Equity instruments through other comprehensive income | 8.70 | - |
| Balance at end of the year | 48.26 | 3.76 |
| Total Other equity | 8,906.27 | 7,813.98 |

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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

c). Capital reserve

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

d). Capital Redemption Reserve

This Capital Redemption Reserve was booked on account of bought back 9,17,680 equity shares under buyback offer on 25th July 2022 (i.e. Settlement date) and the said shares have been extinguished on 28th July 2022.

e). Retained earnings

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

f). Other comprehensive income

Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans carried through FVTOCI.

23 Interest income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------|------------------------------|------------------------------|
| Interest income on loans | 802.90 | 365.05 |
| | 802.90 | 365.05 |

24 Dividend income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------|------------------------------|------------------------------|
| Dividend income | 4.97 | - |
| | 4.97 | - |

25 Net gain / loss on fair value changes

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Net gain on financial instruments at fair value through profit or loss | | |
| -Trading of securities | (1.97) | - |
| | (1.97) | - |

26 Other operating income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------|------------------------------|------------------------------|
| On trading portfolio | | |
| -Trading of securities | 145.19 | 19.27 |
| -Trading of shares | 0.53 | - |
| On Investment Portfolio | | |
| -Sale of investment | 2,583.23 | - |
| | 2,728.95 | 19.27 |

27 Other income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Provision for NPA / contingent - written back | - | 30.15 |
| Provisions for leave encashment written back | 0.12 | 0.16 |
| Miscellaneous income | 3.68 | 0.63 |
| | 3.80 | 30.94 |

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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

28 Finance costs

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------|------------------------------|------------------------------|
| Interest expenses | 577.40 | 48.14 |
| Interest on lease liability | 0.51 | - |
| | 577.91 | 48.14 |

29 Fees and commission expense

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------|------------------------------|------------------------------|
| Brokerage and commission | 1.00 | 15.00 |
| Membership and subscription | 15.50 | 4.50 |
| | 16.50 | 19.50 |

30 Impairment on financial instruments

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------|------------------------------|------------------------------|
| On trade receivables | 6.87 | 2.40 |
| | 6.87 | 2.40 |

31 Employee benefit expenses

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 86.81 | 76.01 |
| Gratuity | 2.53 | 3.30 |
| Staff welfare expense | 2.06 | 0.81 |
| Contribution to provident and other funds | 0.87 | 0.93 |
| | 92.26 | 81.05 |

32 Depreciation and amortisation expense

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Depreciation on tangible assets (refer note 11) | 1.71 | 0.46 |
| Amortisation of intangible assets (refer note 12) | 0.10 | 0.10 |
| Amortisation of right-of-use assets (refer note 40) | 1.95 | - |
| | 3.75 | 0.56 |

33 Other expenses

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Legal and professional expenses | 23.18 | 29.05 |
| Bad debts written off | 88.80 | - |
| Rent | 0.47 | - |
| Auditors' remuneration (refer footnote) | 2.15 | 2.02 |
| Business promotion | 0.25 | 0.23 |
| Charity & donations | - | 1.65 |
| Rates and taxes | 5.90 | 1.55 |
| Printing and stationery | 4.23 | 0.65 |
| Communication expenses | 0.59 | 0.09 |
| Miscellaneous expenses | 0.94 | 0.50 |
| Contingent provision on Standard Asset | 6.89 | 5.35 |
| Repair & Maintenance - Vehicle | 0.67 | 0.35 |

Notes to the standalone financial statements for the year ended March 31, 2023

33 Other expenses Contd...

(All amounts are in Rupees in lacs, unless otherwise stated)

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------|------------------------------|------------------------------|
| Balances written off | 0.04 | 0.07 |
| Travelling and conveyance | 1.39 | 0.64 |
| Provision For NPA (P&L) | - | 30.15 |
| Bank Charges | 0.04 | 0.27 |
| | 135.54 | 72.57 |

Footnote:

| (i) Payment of remuneration to auditors (excluding GST) | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Statutory audit | 2.15 | 2.02 |
| Other services | - | - |
| | 2.15 | 2.02 |

34 Earnings per share

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Basic and diluted earnings per share (refer footnote) | 8.57 | 0.57 |
| Nominal value per share (in Rs.) | 10.00 | 10.00 |
| Footnotes: | | |
| (a) Profit attributable to equity shareholders | | |
| Profit for the year | 2,026.58 | 137.75 |
| Profit attributable to equity holders of the company for Basic and Diluted EPS | 2,026.58 | 137.75 |
| (b) Weighted average number of shares used as the denominator | | |
| Opening balance of issued equity shares | 24,270,900 | 24,270,900 |
| Effect of shares reduced on account of buy back 9,17,680 equity shares during the year. | (633,576) | - |
| Weighted average number of equity shares for Basic and Diluted EPS | 23,637,324 | 24,270,900 |

(c) At present, the Company does not have any dilutive potential equity share.

35 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 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. |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

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, 2023

| | Reportable segment | | | | |
|--|---------------------|-----------------------|-----------------------------------|--------------------|------------------|
| | Fees and commission | investment activities | Debt and equity market operations | Finance activities | Total |
| - Segment revenue | - | 2,588.20 | 143.75 | 802.90 | 3,534.85 |
| Revenue from external customers | - | 2,588.20 | 143.75 | 802.90 | 3,534.85 |
| Segment profit before tax | - | 2,588.20 | 26.75 | 90.87 | 2,705.82 |
| Segment assets | - | 9,960.94 | 3,027.33 | 8,654.46 | 21,642.73 |
| Segment liabilities | - | - | 10,413.81 | 594.67 | 11,008.48 |

For the year ended March 31, 2022

| | Reportable segment | | | | |
|--|---------------------|-----------------------------------|-----------------------------------|--------------------|------------------|
| | Fees and commission | Income from investment activities | Debt and equity market operations | Finance activities | Total |
| - Segment revenue | - | - | 19.00 | 365.00 | 384.00 |
| - Inter segment revenue | - | - | - | - | - |
| Revenue from external customers | - | - | 19.00 | 365.00 | 384.00 |
| Segment profit before tax | - | - | 19.00 | 172.04 | 191.04 |
| Segment assets | - | 6,450.00 | - | 6,642.00 | 13,092.00 |
| Segment liabilities | - | - | - | 2,905.00 | 2,905.00 |

Reconciliations of information on reportable segments

C Revenues

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|-----------------------------------|-----------------------------------|
| i). Total revenue for reportable segments | | |
| Income from investment activities | 2,588.20 | - |
| Debt and equity market operations | 143.75 | 19.00 |
| Finance activities | 802.90 | 365.32 |
| Total revenue | 3,534.85 | 384.32 |
| ii). Total comprehensive income | | |
| Total profit before tax for reportable segments | 2,705.82 | 191.04 |
| Other unallocable expenditure (net off unallocable income) | - | - |
| Profit before tax | 2,705.82 | 191.04 |
| Share of net profit of associates accounted for using the equity method | 679.24 | 53.29 |
| Tax expense | | |
| Profit after tax | 2,026.58 | 137.75 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of defined benefit plans | (3.72) | 2.48 |
| Equity instruments through other comprehensive income | 43.25 | - |
| Income tax relating to these items | (3.73) | (0.69) |
| Other comprehensive income for the year | 35.80 | 1.79 |
| Total comprehensive income for the year | 2,062.38 | 139.54 |

Assets

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| iii). Total assets for reportable segments | | |
| Investment activities | 9,960.94 | 6,450.00 |
| Debt and equity market operations | 3,027.33 | - |
| Finance activities | 8,654.46 | 6,642.00 |
| Unallocable | 678.47 | 118.11 |
| Total assets | 22,321.20 | 13,210.11 |

Liabilities

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| iv). Total liabilities for reportable segments | | |
| Debt and equity market operations | 10,413.81 | - |
| Finance activities | 594.67 | 2,903.96 |
| Unallocable | 6.05 | - |
| | 11,014.53 | 2,903.96 |

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.

36 Contingent liabilities, contingent assets and commitments

A Contingent liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Corporate guarantee issued for Almondz Global-Infra Consultancy Limited to Bank of Baroda | 480.01 | 486.26 |
| | 480.01 | 486.26 |

B Financial Guarantee contracts (FGCs) as per Ind AS 109

The Company has given corporate guarantees of Rs.480.01 lac (Previous year Rs.486.26 lac) to the lenders of AGICL, subsidiary of the Company (AGSL).

As per Ind As109, Financial Guarantee contracts are realised at fair value. The fair value of the guarantee will be the present value of the difference between the net contractual cash flows required under the loan & the net contractual cash flows that would have been required without the guarantee.

The corporate guarantee issued by the company was merely to fulfil the requirements of loan. It would not have resulted in savings in the interest rates.

Therefore the fair value of guarantee which represents the difference in the PV of interest payment over the period is NIL.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

As per Ind AS 109, FGCs should be initially recognised at fair value. Normally the transaction price is usually the fair value unless it is contrary to arm's length price. In our case, it is not possible to reliably identify the market price for similar financial guarantee identical to those its parent has given to its subsidiary.

Alternatively fair value can also be determined by estimating using a probability adjusted discounted cash flow analysis. However in our case this method too would not be applicable as the management of ACMS (Parent co issuing corporate guarantee on behalf of its subsidiary) intend that there is no probability of default by its subsidiaries due to its strong order book & cash flows in the foreseeable future. So making a small provisioning of loss would not have any material impact in the books of either parent or subsidiary companies.

However management intend to review the position on every balance sheet date over the period of guarantee & make suitable entries in the books of accounts if required, to comply with provisions of Ind as 109 on FGC. In lieu of the above explanations, no financial entry has been made either in the books of parent or subsidiary co either at the date of inception or on balance sheet date.

B Commitments

The Company does not have any commitments as at March 31, 2023 and March 31, 2022.

C Contingent assets

The Company does not have any contingent assets as at March 31, 2023 and March 31, 2022

37 Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 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. | - | - |

38 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, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Contribution to provident fund (Refer note 31) | 0.87 | 0.93 |

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 2023. 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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

A. The following table set out the status of the defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Net defined benefit liability | | |
| Liability for gratuity | 15.95 | 9.69 |
| Total employee benefit liabilities | 15.95 | 9.69 |
| Non-current | 13.79 | 8.49 |
| Current | 2.15 | 1.20 |

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, 2023 | | | March 31, 2022 | | |
|--------------------------------------|----------------------------|---------------------------|--|----------------------------|---------------------------|--|
| | 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 | 10.63 | 0.94 | 9.69 | 9.76 | 0.89 | 8.87 |
| Included in profit or loss | | | | | | |
| Current service cost | 1.82 | - | 1.82 | 2.64 | - | 2.64 |
| Past service cost | - | - | - | - | - | - |
| Interest cost (income) | 0.78 | 0.06 | 0.72 | 0.71 | 0.06 | 0.65 |
| | 2.60 | 0.06 | 2.54 | 3.36 | 0.06 | 3.30 |

Included in OCI

Remeasurements loss (gain)

| | | | | | | |
|---|--------------|---------------|--------------|---------------|---------------|---------------|
| - Actuarial loss (gain) arising from: | | | | | | |
| - financial assumptions | - | - | - | - | - | - |
| - demographic assumptions | - | - | - | - | - | - |
| - experience adjustment | 3.70 | - | 3.70 | (2.48) | - | (2.48) |
| Return on plan assets excluding interest income | - | (0.02) | 0.02 | - | (0.01) | 0.01 |
| | 3.70 | (0.02) | 3.72 | (2.48) | (0.01) | (2.48) |
| Other | | | | | | |
| Contributions paid by the employer | - | - | - | - | - | - |
| Benefits paid | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Balance at the end of the year | 16.93 | 0.98 | 15.95 | 10.63 | 0.94 | 9.69 |

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.

Plan assets comprises of the following:

| | March 31, 2023 | % of Plan assets | March 31, 2022 | % of Plan assets |
|--------------------------|----------------|------------------|----------------|------------------|
| Funds managed by insurer | 0.99 | 100% | 0.94 | 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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

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, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Discount rate | 7.29% | 7.12% |
| Expected rate of future salary increase | 7.50% | 7.50% |

The discount rate has been assumed at 'March 31, 2023 :7.29% (31 March 2022: 7.12%) 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, 2023 | March 31, 2022 |
|---|----------------|----------------|
| i) Retirement age (years) | 65 | 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, 2023 | | As at March 31, 2022 | |
|---------------------------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1.00% movement) | (0.89) | 0.99 | (0.23) | 0.24 |
| Future salary growth (1.00% movement) | 0.82 | (0.58) | 0.25 | (0.24) |
| Withdrawal rate (1.00% movement) | 0.07 | 0.08 | (0.02) | 0.02 |

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.

F. Expected maturity analysis of the defined benefit plans in future years

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Duration of defined benefit obligation | | |
| Less than 1 year | 2.23 | 0.99 |
| Between 1-2 years | 1.78 | 1.95 |
| Between 2-5 years | 5.32 | 6.55 |
| Between 5-10 years | 10.80 | 1.68 |
| Over 10 years | 7.46 | 4.08 |
| Total | 27.58 | 15.25 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility provision is not applicable.

40 Leases

The Company is lessee under various operating leases for five properties in various places over India.

The lease terms of these premises for 3 years and accordingly are long-term leases. These lease agreements have varying terms and are usually renewable on mutually agreeable terms.

Disclosure in respect of such operating leases is as given below:

Lease liabilities

| The movement in lease liabilities during the year ended March 31, 2023 is as follows : | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening Balance | - | - |
| Addition during the year | 7.79 | - |
| Finance cost accrued during the period | 0.51 | - |
| Payment of lease liabilities | (2.25) | - |
| Closing Balance | 6.05 | - |
| The details of the contractual maturities of lease liabilities as at March 31, 2023 on undiscounted basis are as follows: | | |
| | As at March 31, 2023 | As at March 31, 2022 |
| Not later than one year | 1.83 | - |
| Later than one year but not later than five years | 4.22 | - |
| Later than five years | - | - |
| | 6.05 | - |
| Right-of-use (ROU) assets | | |
| The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows : | | |
| | As at March 31, 2023 | As at March 31, 2022 |
| Opening Balance | - | - |
| Addition during the year | 7.79 | - |
| Amortisation of ROU assets | (1.95) | - |
| Closing Balance | 5.84 | - |

41 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 |
|----------------------------|--|
| Subsidiaries | Almondz Infosystem Private Limited (AIPL) Almondz Global Securities Limited (AGSL) Avonmore Developers Private Limited (ADPL) Apricot Infosoft Private Limited (APPIL) Anemone Holdings Private limited (AHPL) Glow Apparels Private Limited (GAPL) Red Solutions Private Limited (RSPL) |
| Other related party | Willis Towers Watson India Insurance Brokers Private Limited Premier Alcobev Private Limited (PAPL) Innovative Money Matters Private Limited (IMMPL) North Square Projects Private Limited (NSPPL) (Subsidiary of AGSL) Almondz Global Infra-Consultant Limited (AGICL) (Subsidiary of AGSL) |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

| Relationship | Name of related party |
|---------------------------------|--|
| | Almondz Finanz Limited (AFL) (Subsidiary of AGSL) |
| Key Management Personnel | Mr. Ashok Kumar Gupta (Managing Director) Ms. Shilpa Bhatia (Company Secretary) (ceased on August 16, 2021) Ms. Sonal (Company Secretary) (wef November 12, 2021) Mr Shakti Singh (Chief Financial Officer) |

(b) Details of related party transactions are as below:

For the year ended March 31, 2023

- (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 | PAPL | AGICL | AGSL | AIPL | GAPL | APIPL | AFL | NSPL | SHSL | AFSL |
|--|--------|----------|-----------|------|--------|--------|----------|--------|--------|--------|
| Income | | | | | | | | | | |
| Interest received | 36.41 | 45.08 | 180.62 | - | - | - | 21.98 | 7.91 | 2.74 | 1.00 |
| Sale of Bonds | | | 20,095.81 | | | | | | | |
| Expenses | | | | | | | | | | |
| Purchase of Bonds | | | 18,710.69 | | | | | | | |
| Delay payment charges | - | - | - | - | - | - | | | | |
| Depository charges | - | - | 0.76 | - | - | - | | | | |
| Brokerage | - | - | 1.74 | - | - | - | | | | |
| Interest Paid | - | | | | | | - | | | |
| Assets/Liabilities | | | | | | | | | | |
| Transactions during the year | | | | | | | | | | |
| Loan granted | 525.50 | 1,029.50 | 27,809.00 | - | - | - | 5,591.75 | 298.50 | 162.7 | 161.35 |
| Loan granted- repayment received | 826.00 | | 27,809.00 | - | - | - | 6,343.25 | - | | 143.85 |
| Loan Taken | - | | | | | | - | | | |
| Loan Taken-Repayment Paid | - | | | | | | - | | | |
| Investment made during the year | - | - | 338.98 | - | - | - | - | | | |
| Payment made on behalf of company (ACMS) | - | - | 1.50 | - | - | - | - | | | |
| Repayment of the above | - | - | 1.50 | - | - | - | - | | | |
| Advances given | - | - | - | 1.07 | 0.03 | 1.53 | | 0.55 | | |
| Advances given - repayment received | - | - | - | 0.09 | 0.06 | 0.53 | | 0.55 | | |
| Interest receivable | 36.41 | 45.08 | 180.62 | - | - | - | 21.98 | 7.91 | 2.74 | 1.00 |
| Repayment of interest receivable | 4.12 | 17.52 | 28.46 | - | - | - | 5.75 | 0.79 | 0.27 | 0.10 |
| Interest Payable | - | | | | | | - | | | |
| Repayment of interest Payable | - | | | | | | - | | | |
| Closing balances | | | | | | | | | | |
| Non-current investments | - | - | 4,163.56 | 5.00 | 277.50 | 300.00 | | | | |
| Interest receivable | 32.77 | 40.57 | 162.56 | - | - | - | 19.78 | 7.12 | 2.47 | 0.90 |
| Advance Given (Other Receivable) | - | - | 0.48 | 1.00 | - | 1.00 | | | | |
| Loans Given | 299.50 | 457.00 | - | - | - | - | - | 298.50 | 162.70 | 17.50 |
| Loan Taken | - | - | - | - | - | - | - | | | |
| Interest Payable | - | - | - | - | - | - | - | | | |
| Trade Payable | | | 0.00 | - | - | - | - | | | |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

(ii) Transactions with subsidiaries, associates and key management personnel

| Particulars | AHPL | ADPL | Sonal | RSPL | Ashok Kumar Gupta | Shakti Singh |
|-------------------------------------|-----------|--------|-------|----------|-------------------|--------------|
| Income | | | | | | |
| Interest received | - | - | | 46.83 | - | - |
| Sale of Bonds | 2,058.65 | | | | | |
| Expenses | | | | | | |
| Managerial remuneration | - | - | 4.92 | - | 47.93 | 7.44 |
| Purchase of Bonds | 4,912.47 | | | | | |
| I Interest Paid | 501.71 | | | | | |
| Assets/liabilities | | | | | | |
| Transactions during the year | | | | | | |
| Loans granted | - | - | | 49.50 | - | - |
| Repayment of loans granted | - | - | | 146.00 | - | - |
| Loan Taken | 26,109.15 | - | | - | - | - |
| Loan Taken-Repayment Paid | 16,386.00 | - | | - | - | - |
| Advances given | 1.62 | 0.03 | | 0.07 | - | - |
| Advances given- repayment | 1.31 | 0.06 | | 0.10 | - | - |
| Interest receivable | - | - | | 46.83 | - | - |
| Repayment of interest receivable | - | - | | 41.53 | - | - |
| Interest Payable | 501.71 | - | | - | - | - |
| Repayment of interest Payable | 50.17 | - | | - | - | - |
| Closing balances | | | | | | |
| Non-current investments | 1.00 | 850.00 | | 1,177.65 | - | - |
| Loans given | - | - | | 383.15 | - | - |
| Loan Taken | 9,723.16 | - | | - | - | - |
| Advance Given (Other Receivable) | 1.00 | - | | - | - | - |
| Interest receivables | - | - | | 42.14 | - | - |
| Interest Payable | 451.54 | - | | - | - | - |

(iii) Transactions with non-executive directors

| Particulars | Govind Prasad Agrawal | Shaim Sunder Lal Gupta | Bhupinder Singh | Ajay Kumar | Ashu Gupta |
|----------------------|-----------------------|------------------------|-----------------|------------|------------|
| Income | | | | | |
| Interest received | - | - | | - | - |
| Expenses | | | | | |
| Director Sitting Fee | 1.65 | 1.67 | 0.55 | 1.62 | 1.15 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

For the year ended March 31, 2022

- (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 | PAPL | AGICL | AGSL | AIPL | GAPL | APIPL | AFL |
|--|--------|--------|----------|------|--------|--------|----------|
| Income | | | | | | | |
| Interest received | 0.53 | 14.46 | 11.55 | - | - | 2.92 | 3.95 |
| Expenses | | | | | | | |
| Delay payment charges | - | - | - | - | - | - | - |
| Depository charges | - | - | 0.14 | - | - | - | - |
| Brokerage | - | - | 0.02 | - | - | - | - |
| Interest Payable | - | - | - | - | - | - | 48.14 |
| Assets/Liabilities | | | | | | | |
| Transactions during the year | | | | | | | |
| Loan granted | 600.00 | 480.00 | 382.85 | - | - | - | 1,004.50 |
| Loan granted- repayment received | - | 324.00 | 475.90 | - | - | 26.50 | 253.00 |
| Loan Taken | - | - | - | - | - | - | 60.90 |
| Loan Taken- Repayment Paid | - | - | - | - | - | - | 1,023.15 |
| Investment made during the year | - | - | 21.74 | - | - | - | - |
| Payment made on behalf of company (ACMS) | - | - | 3.25 | - | - | - | - |
| Repayment of the above | - | - | 7.19 | - | - | - | - |
| Advances given | - | - | - | 0.07 | 0.03 | 0.29 | - |
| Advances given - repayment received | - | - | - | 0.09 | 0.02 | 0.63 | - |
| Interest receivable | 0.53 | 14.46 | 11.55 | - | - | 2.92 | 3.95 |
| Repayment of interest receivable | 0.05 | 6.60 | 1.16 | - | - | 5.86 | 0.39 |
| Interest Payable | - | - | - | - | - | - | 48.14 |
| Repayment of interest Payable | - | - | - | - | - | - | 43.56 |
| Closing balances | | | | | | | |
| Non-current investments | - | - | 3,824.59 | 5.00 | 277.50 | 300.00 | - |
| Interest receivable | 0.48 | 13.01 | 10.40 | - | - | - | 3.55 |
| Advance Given (Other Receivable) | - | - | - | 0.02 | 0.03 | 0.01 | - |
| Loans Given | 600.00 | 256.00 | - | - | - | - | 751.50 |
| Loan Taken | - | - | - | - | - | - | - |
| Interest Payable | - | - | - | - | - | - | 41.35 |

- (ii) Transactions with subsidiaries, associates and key management personnel

| Particulars | AHPL | ADPL | Sonal | RSPL | Ashok Kumar Gupta | Shilpa Bhatia | Shakti Singh |
|-------------------------------------|------|------|-------|-------|-------------------|---------------|--------------|
| Income | | | | | | | |
| Interest received | - | - | - | 40.94 | - | - | - |
| Expenses | | | | | | | |
| Managerial remuneration | - | - | 1.67 | - | 16.18 | 1.53 | 6.78 |
| Assets/liabilities | | | | | | | |
| Transactions during the year | | | | | | | |
| Loans granted | - | - | - | 59.50 | - | - | - |
| Repayment of loans granted | - | - | - | 4.00 | - | - | - |
| Loan Taken | - | - | - | - | - | - | - |
| Loan Taken-Repayment Paid | - | - | - | - | - | - | - |
| Advances given | 1.65 | 0.03 | - | 2.10 | - | - | - |
| Advances given- repayment | 0.97 | 0.05 | - | 8.59 | - | - | - |
| Interest receivable | - | - | - | 40.94 | - | - | - |
| Repayment of interest receivable | - | - | - | 26.49 | - | - | - |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

| Particulars | AHPL | ADPL | Sonal | RSPL | Ashok Kumar Gupta | Shilpa Bhatia | Shakti Singh |
|-------------------------------|-------|--------|-------|-------|-------------------------|------------------|-----------------|
| Interest Payable | - | - | - | - | - | - | - |
| Repayment of interest Payable | - | - | - | - | - | - | - |
| Closing balances | | | | | | | |
| Non-current investments | 1.00 | 850.00 | - | 1,178 | - | - | - |
| Interest receivables | - | - | - | 36.85 | - | - | - |
| Interest Payable | - | - | - | - | - | - | - |
| Trade receivables | 3,164 | - | - | - | - | - | - |

(iii) **Transactions with non-executive directors**

| Particulars | Govind Prasad Agrawal | Shaim Sunder Lal Gupta | Bhupinder Singh | Ajay Kumar | Ashu Gupta |
|----------------------|-----------------------------|------------------------------|--------------------|---------------|---------------|
| Income | | | | | |
| Interest received | - | - | - | - | - |
| Expenses | | | | | |
| Director Sitting Fee | 1.28 | 1.20 | 0.45 | 1.20 | 0.75 |

Terms and conditions of transactions with the related parties

- 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.
- 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.

42 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.

i). As at March 31, 2023

| Particulars | Carrying value | | | | Fair value measurement using | | |
|---------------------------------------|----------------|-------|------------------|------------------|------------------------------|---------|---------|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | 388.55 | 388.55 | - | - | - |
| Receivables | | | | | | | |
| Trade receivables | - | - | 686.66 | 686.66 | - | - | - |
| Loans | - | - | 7,569.74 | 7,569.74 | - | - | - |
| Investments | - | - | - | - | - | - | - |
| Other financial assets | - | - | 9.51 | 9.51 | - | - | - |
| Total | - | - | 8,654.46 | 8,654.46 | | | |
| Financial liabilities | | | | | | | |
| Payables | | | | | | | |
| Trade payables | - | - | 1.75 | 1.75 | - | - | - |
| Borrowings other than debt securities | - | - | 10,413.81 | 10,413.81 | - | - | - |
| Other financial liabilities | - | - | 492.68 | 492.68 | - | - | - |
| Total | - | - | 10,908.24 | 10,908.24 | | | |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

ii). As at March 31, 2022

| Particulars | Carrying value | | | | Fair value measurement using | | |
|---------------------------------------|----------------|-------|-----------------|-----------------|------------------------------|---------|---------|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | 41.54 | 41.54 | - | - | - |
| Receivables | | | | | | | |
| Trade receivables | - | - | 930.88 | 930.88 | - | - | - |
| Loans | - | - | 5,168.29 | 5,168.29 | - | - | - |
| Investments | - | - | - | - | - | - | - |
| Other financial assets | - | - | 0.86 | 0.86 | - | - | - |
| Total | - | - | 6,141.57 | 6,141.57 | | | |
| Financial liabilities | | | | | | | |
| Payables | | | | | | | |
| Trade payables | - | - | 7.50 | 7.50 | - | - | - |
| Borrowings other than debt securities | - | - | - | - | - | - | - |
| Other financial liabilities | | | 66.00 | 66.00 | - | - | - |
| Total | - | - | 73.50 | 73.50 | | | |

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 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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

| 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 |

b). Financial risk management (continued)

(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, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Trade receivables | 686.66 | 930.88 |
| Cash and cash equivalents | 388.55 | 41.54 |
| Investments | - | - |
| Loans | 7,569.74 | 5,168.29 |
| Other financial assets | 9.51 | 0.86 |

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 180 days past due and create provision under provisioning norms of RBI for NBFC.

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 interest receivables on loan granted following the prudence approach of accounting

Trade receivables as at year end primarily relate to revenue generated from lending of loans and interest accrued thereon.

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 Company does not anticipate any material credit risk of any of its other receivables.

The Company believes that the unimpaired amounts are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Balance at the beginning | 7.15 | 4.75 |
| Impairment loss recognised / (reversed) | 6.87 | 2.40 |
| Balance at the end | 14.01 | 7.15 |

(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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs. 388.55 lac as at March 31, 2023 (March 31, 2022: Rs.41.54 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.

| As at March 31, 2023 | Carrying amount | Contractual cash flows | | |
|-----------------------------|------------------|------------------------|--------------------|------------------|
| | | Less than one year | More than one year | Total |
| Borrowings | 10,413.81 | 10,413.81 | - | 10,413.81 |
| Trade Payable | 1.75 | 1.75 | - | 1.75 |
| Other financial liabilities | 492.68 | 492.68 | - | 492.68 |
| Total | 10,908.24 | 10,908.24 | - | 10,908.24 |

| As at March 31, 2022 | Carrying amount | Contractual cash flows | | |
|-----------------------------|-----------------|------------------------|--------------------|--------------|
| | | Less than one year | More than one year | Total |
| Borrowings | - | - | - | - |
| Trade Payable | 7.50 | 7.50 | - | 7.50 |
| Other financial liabilities | 66.00 | 66.00 | - | 66.00 |
| Total | 73.50 | 73.50 | - | 73.50 |

b). Financial risk management (continued)

(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.

43 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.

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

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).

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Borrowings | 10,413.81 | - |
| Less: Cash and cash equivalents | (388.55) | (41.54) |
| Adjusted net debt (A) | 10,025.26 | (41.54) |
| Total equity (B) | 11,306.67 | 10,306.15 |
| Adjusted net debt to adjusted equity ratio (A/B) | 88.67% | NA |

44 Income taxes

A. Amounts recognised in profit or loss

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Current tax expense | | |
| Current year | 690.01 | 56.38 |
| MAT Credit | - | - |
| Adjustment for prior years | 0.49 | 0.30 |
| | 690.50 | 56.68 |
| Deferred tax expense | | |
| Change in recognised temporary differences | (11.26) | (3.39) |
| | (11.26) | (3.39) |
| Total Tax Expense | 679.24 | 53.29 |

B. Amounts recognised in Other Comprehensive Income

| | March 31, 2023 | | | March 31, 2022 | | |
|---|----------------|-----------------------------|--------------|----------------|--------------------------|-------------|
| | Before tax | Tax (Expense)/ Income | Net of tax | Before tax | Tax (Expense)/ Income | Net of tax |
| Remeasurements of defined benefit liability | (3.72) | 1.08 | (2.64) | 2.48 | (0.69) | 1.79 |
| Equity instruments through other comprehensive income | 43.25 | (4.81) | 38.44 | - | - | - |
| | 39.53 | (3.73) | 35.80 | 2.48 | (0.69) | 1.79 |

C. Reconciliation of effective tax rate

| | March 31, 2023 | | March 31, 2022 | |
|---|----------------|---------------|----------------|---------------|
| | Rate | Amount | Rate | Amount |
| Profit before tax | | | | |
| | 27.82% | 2,705.82 | 27.82% | 191.04 |
| Tax using the Company's domestic tax rate (A) | | 752.76 | | 53.15 |
| Tax effect of: | | | | |
| Impact of Taxable/ Non Taxable items | | 73.52 | | (0.14) |
| Total (B) | | 73.52 | | (0.14) |
| (A)+(B) | | 679.24 | | 53.29 |

D. Movement in deferred tax balances

| | As at March 31, 2022 | Recognized in P&L | Recognized in OCI | As at March 31, 2023 |
|---|----------------------------|----------------------|----------------------|-------------------------|
| Deferred Tax Assets | | | | |
| Employee benefits | 7.02 | 9.60 | (3.73) | 12.89 |
| Property, plant and equipment and intangibles | 1.88 | (0.50) | - | 1.38 |
| Trade receivables | 1.99 | 2.09 | - | 4.08 |
| Investments | 0.90 | 0.04 | - | 0.94 |
| Loans/ Other intangible assets | - | (0.02) | - | (0.02) |
| MAT credit entitlement | 78.22 | (22.89) | - | 55.33 |
| Sub- Total (a) | 90.01 | (11.68) | (3.73) | 74.60 |
| Deferred Tax Liabilities | - | - | - | - |
| Sub- Total (b) | - | - | - | - |
| Net Deferred Tax Asset (a) - (b) | 90.01 | (11.68) | (3.73) | 74.60 |

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts are in Rupees in lacs, unless otherwise stated)

D. Movement in deferred tax balances

| | As at March 31, 2021 | Recognized in P&L | Recognized in OCI | As at March 31, 2022 |
|---|----------------------------|----------------------|----------------------|-------------------------|
| Deferred Tax Assets | | | | |
| Employee benefits | 5.00 | 2.71 | (0.69) | 7.02 |
| Property, plant and equipment and intangibles | 1.97 | (0.09) | - | 1.88 |
| Trade receivables | 1.24 | 0.75 | - | 1.99 |
| Investments | 0.84 | 0.06 | - | 0.90 |
| Loans | - | - | - | - |
| MAT credit entitlement | 85.58 | (7.36) | - | 78.22 |
| Other non-financial liabilities | - | - | - | - |
| Sub- Total (a) | 94.63 | (3.93) | (0.69) | 90.01 |
| Deferred Tax Liabilities | | | | |
| Sub- Total (b) | - | - | - | - |
| Net Deferred Tax Asset (a) - (b) | 94.63 | (3.93) | (0.69) | 90.01 |

- 45 The Company does not have any material transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.
- 46 The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.
- 47 There are no borrowing costs that have been capitalised during the year ended March 31, 2023 and March 31, 2022.
- 48 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.
- 49 There have been no events after the reporting date that require adjustments/disclosure in this financial statement.
- 50 NBFC-ND with asset size of less than Rs.500 crores are exempted from the requirement of maintaining CRAR and, hence these ratio are not applicable to the company
- 51 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

Per our report of even date.

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 - 23527863BGXHQA3077

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Place: New Delhi
Date: 30th May 2023

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor’s Report

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 2023, 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 2023, 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 thereunder, 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, 2023. 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 |
|--|---|
| 1. IT systems and controls | |
| 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>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"> • 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. • 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. • Tested the Company’s periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • 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. • Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures. |

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 audit 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 up to 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 Ind AS 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, 2023 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

1. 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 for the purpose of preparation of the consolidated Ind AS 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, 2023 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, 2023 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, 2023 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 Ind AS 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, 2023.
 - 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, 2023.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other

person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Mohan Gupta & Company
Chartered Accountants
Firm's Registration Number:-0006519N

CA Himanshu Gupta
Partner

Place: New Delhi
Date: 30-05-2023
UDIN: 23527863BGXHQB7309

Membership Number-527863

Avonmore Capital & Management Services Limited

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, 2023, 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.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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 2023, 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
Membership Number- 527863
UDIN: 23527863BGXHQB7309

Place: New Delhi
Date: 30-05-2023

Consolidated Balance Sheet as at March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|------|-------------------------|-------------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 3 | 1,975.32 | 2,148.30 |
| Bank balances other than above | 4 | 1,001.80 | 1,085.43 |
| Receivables | | | |
| Trade receivables | 5 | 3,499.40 | 3,751.54 |
| Other receivables | 6 | 144.00 | 132.28 |
| Inventories | 7 | 5,056.62 | 748.55 |
| Loans | 8 | 10,629.75 | 7,211.41 |
| Investments | 9 | 2,553.28 | 937.33 |
| Investment in associates accounted by using equity method | 58 | 6,496.60 | 8,513.68 |
| Other financial assets | 10 | 2,227.51 | 1,845.85 |
| | | 33,584.27 | 26,374.37 |
| Non-financial assets | | | |
| Inventories | 11 | 3.98 | 4.86 |
| Income tax assets | 12 | 321.45 | 457.29 |
| Deferred tax assets | 13 | 525.59 | 572.41 |
| Property, plant and equipment | 14 | 1,182.11 | 661.92 |
| Investment property | 15 | 4,924.93 | 5,066.33 |
| Capital-Work-in Progress (CWIP) | 16 | - | 408.16 |
| Goodwill | 17 | 37.43 | 37.43 |
| Other intangible assets | 18 | 16.64 | 21.89 |
| Intangible assets under development | 19 | 6.45 | 3.20 |
| Right-of-use assets | 20 | 219.99 | 413.43 |
| Other non-financial assets | 21 | 3,481.23 | 3,385.77 |
| | | 10,719.80 | 11,032.69 |
| Total Assets | | 44,304.07 | 37,407.06 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| Payables | | | |
| Trade payables | 22 | | |
| - to micro and small enterprises | | - | - |
| - to others | | 611.64 | 1,126.75 |
| Other payables | 23 | 1,565.37 | 1,847.83 |
| Borrowings other than debt securities | 24 | 2,407.23 | 1,244.96 |
| Lease liabilities | 25 | 238.70 | 522.75 |
| Other financial liabilities | 26 | 2,480.84 | 3,286.82 |
| | | 7,303.78 | 8,029.11 |
| Non-financial liabilities | | | |
| Income tax liabilities | 27 | 0.46 | 353.85 |
| Deferred tax liabilities | 28 | 8.04 | 7.52 |
| Provisions | 29 | 256.31 | 245.62 |
| Other non-financial liabilities | 30 | 459.09 | 345.02 |
| | | 723.90 | 952.01 |
| Equity | | | |
| Equity share capital | 31 | 2,400.40 | 2,492.17 |
| Other equity | 32 | 25,418.86 | 18,133.13 |
| Non-controlling interest | | 8,457.13 | 7,800.64 |
| | | 36,276.39 | 28,425.94 |
| Total Liabilities and Equity | | 44,304.07 | 37,407.06 |

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 - 23527863BGXHQB7309

Place: New Delhi
Date: 30 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Sonal
Company Secretary
ACS: A57027

Govind Prasad Agrawal
Director
DIN: 00008429

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Consolidated Profit and Loss for the year ended March 31, 2023

(All amounts are in Rupees in Lac, unless otherwise stated)

| | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | | | |
| Interest income | 33 | 1,117.23 | 1,169.13 |
| Dividend income | 34 | 6.45 | 1,132.34 |
| Fees and commission income | 35 | 6,259.69 | 5,623.92 |
| Net gain on fair value changes | 36 | (42.55) | 138.93 |
| Other operating income | 37 | 13,790.37 | 305.11 |
| | | 21,131.19 | 8,369.43 |
| Other income | 38 | 348.80 | 350.01 |
| | | 348.80 | 350.01 |
| Total Income | | 21,479.99 | 8,719.44 |
| Expenses | | | |
| Finance costs | 39 | 310.48 | 510.74 |
| Fees and commission expense | 40 | 3,024.99 | 2,785.02 |
| Impairment on financial instruments | 41 | (77.17) | 30.88 |
| Purchase of stock in trade | 42 | - | 23.62 |
| Changes in inventories of stock-in-trade | 43 | - | 5.39 |
| Employee benefits expenses | 44 | 2,446.31 | 2,156.63 |
| Depreciation and amortisation | 45 | 226.11 | 246.59 |
| Other expenses | 46 | 1,611.14 | 1,242.33 |
| Total Expenses | | 7,541.86 | 7,001.20 |
| Profit before share of net profit of investments accounted for using equity method and tax | | 13,938.13 | 1,718.24 |
| Share of net profit of associates accounted for using equity method | 58 | 1,433.71 | 2,828.76 |
| Profit before tax | | 15,371.84 | 4,547.00 |
| Tax expense | | | |
| Income tax | 60 | 3,189.95 | 519.91 |
| Income tax for earlier years | 60 | (15.97) | (9.84) |
| MAT credit/(entitlement) | 60 | 13.25 | - |
| Deferred tax charge | 60 | (1.20) | (8.10) |
| | | 3,186.03 | 501.97 |
| Profit after tax | | 12,185.81 | 4,045.03 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| > Re-measurement gain / loss on defined benefit plans | | 10.72 | 47.58 |
| > Changes in fair value gain / (loss) of FVOCI equity instruments | | 35.35 | - |
| > Income tax relating to items that will not be reclassified to profit or loss | | (8.40) | (13.29) |
| Other comprehensive income for the year | | 37.68 | 34.29 |
| Total comprehensive income | | 12,223.48 | 4,079.32 |
| Profit attributable to: | | | |
| Owners of company | | 11,544.96 | 3,247.43 |
| Non-controlling interest | | 640.84 | 797.60 |
| | | 12,185.80 | 4,045.03 |
| Other comprehensive income attributable to: | | | |
| Owners of company | | 22.03 | 19.53 |
| Non-controlling interest | | 15.65 | 14.76 |
| | | 37.67 | 34.29 |
| Total comprehensive income attributable to: | | | |
| Owners of company | | 11,566.99 | 3,266.96 |
| Non-controlling interest | | 656.49 | 812.36 |
| | | 12,223.48 | 4,079.32 |
| Earnings per equity share (in Rs.): | | | |
| -Basic and diluted earning per share | 47 | 48.84 | 13.38 |

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

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

Himanshu Gupta
Partner
Membership No.: 527863
UDIN - 23527863BGXHQB7309

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Place: New Delhi
Date: 30 May 2023

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP6127D

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| A. Equity Share capital | | | | | | | | | | | | |
|--|---|-----------------|-----------------|---------------|-------------------|----------------------------|-------------------------|---|-------------------------------------|---|------------------|---|
| Balance as at April 1, 2021 | | | | | | | | | | | | 2,492.17 |
| Changes In Equity Share Capital due to prior period errors | | | | | | | | | | | | - |
| Restated balance at the beginning of previous reporting period | | | | | | | | | | | | 2,492.17 |
| Change in equity share capital during 2021-22 | | | | | | | | | | | | - |
| Balance as at March 31, 2022 | | | | | | | | | | | | 2,492.17 |
| Changes In Equity Share Capital due to prior period errors | | | | | | | | | | | | - |
| Restated balance at the beginning of current reporting period | | | | | | | | | | | | 2,492.17 |
| Change in equity share capital during 2022-23 | | | | | | | | | | | | (91.77) |
| Balance as at March 31, 2023 | | | | | | | | | | | | 2,400.40 |
| B. Other equity | | | | | | | | | | | | |
| Particulars | Attributable to equity holders of the holding company | | | | | | | | Items of other comprehensive income | Remeasurement of defined benefit obligation | Total | Attributable to non-controlling interests |
| | Reserves & surplus | | | | | | | | | | | |
| | Securities premium | Special reserve | Capital reserve | ESOP reserve | Retained earnings | Capital Redemption Reserve | Share Application Money | Other adjustments on disposal & consolidation | | | | |
| Balance as at April 1, 2021 | 2,564.18 | 955.41 | 3,905.00 | 94.88 | 7,275.76 | | | 0.00 | | 70.93 | 14,866.17 | 7,062.90 |
| Changes due to prior period errors | - | - | - | - | - | | | - | | - | - | - |
| Restated balance at the beginning of previous reporting period | 2,564.18 | 955.41 | 3,905.00 | 94.88 | 7,275.76 | | | 0.00 | | 70.93 | 14,866.17 | 7,062.90 |
| Profit for the year | - | - | - | - | 3,181.01 | | | - | | - | 3,181.01 | - |
| Other comprehensive income | - | - | - | - | - | | | - | | 19.53 | 19.53 | - |
| Total comprehensive income for the year | - | - | - | - | 3,181.01 | | | - | | 19.53 | 3,200.54 | - |
| Adjustments during the year | - | - | - | 66.42 | - | | | - | | - | 66.42 | 827.72 |
| Transfer from retained earnings | - | 59.51 | - | - | (59.51) | | | - | | - | - | - |
| Balance as at March 31, 2022 | 2,564.18 | 1,014.92 | 3,905.00 | 161.29 | 10,397.27 | | | 0.00 | | 90.46 | 18,133.13 | 7,890.62 |
| Changes due to prior period errors | - | - | - | - | - | | | - | | - | - | - |
| Restated balance at the beginning of previous reporting period | 2,564.18 | 1,014.92 | 3,905.00 | 161.29 | 10,397.27 | | | 0.00 | | 90.46 | 18,133.13 | |
| Profit for the year | - | - | - | - | 11,544.96 | | | - | | - | 11,544.96 | - |
| Other comprehensive income | - | - | - | - | - | | | - | 13.62 | 22.03 | 35.65 | - |
| Total comprehensive income for the year | - | - | - | - | 11,544.96 | | | - | 13.62 | 22.03 | 11,580.61 | - |
| Adjustments during the year | - | - | - | 101.84 | (91.77) | 91.77 | 20.50 | (4,417.21) | | - | (4,294.87) | 837.98 |
| Transfer from retained earnings | - | 416.75 | - | - | (416.75) | | | - | | - | - | - |
| Balance as at March 31, 2023 | 2,564.18 | 1,431.68 | 3,905.00 | 263.13 | 21,433.70 | 91.77 | 20.50 | (4,417.21) | 13.62 | 112.49 | 25,418.87 | 8,457.13 |

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

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

Himanshu Gupta
Partner
Membership No.: 527863
UDIN - 23527863BGXHQB7309

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Place: New Delhi
Date: 30 May 2023

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Consolidated Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|----------|---|--------------------------------------|--------------------------------------|
| A | Cash flow from operating activities | | |
| | Profit before tax | 15,371.84 | 4,547.00 |
| | Adjustments for: | | |
| | Depreciation and amortisation of property, plant and equipment and intangibles | 191.46 | 168.18 |
| | Depreciation on investment property | | |
| | Amortisation of right-of-use assets | | |
| | Provision for employee benefits | 55.93 | 62.00 |
| | Dividend | (6.45) | (1,132.34) |
| | Impairment on financial instruments | (77.17) | 30.88 |
| | ESOP reserve | 101.84 | 66.42 |
| | Net gain on fair value changes | 42.55 | (138.93) |
| | Loss/(Gain) on sale of investment in shares | 19.51 | 123.06 |
| | Provision for loss on error trades | 53.35 | 42.31 |
| | Liabilities written back | (33.44) | (63.61) |
| | Provisions written back | (1.87) | (9.55) |
| | Interest received on income tax refund | (25.21) | (44.65) |
| | Impact of Lease Liability/Right to use asset (including related Interest & Amortisation Cost) | (90.61) | 15.60 |
| | Finance costs | 310.48 | 510.74 |
| | Balance written off | 384.82 | 160.12 |
| | Share of profit in associate | (1,433.71) | (2,828.76) |
| | Operating profit before working capital changes | 14,863.33 | 1,508.47 |
| | Movement in working capital | | |
| | Decrease/(increase) in trade and other receivables | (67.23) | (1,138.28) |
| | (Increase) in loan | (3,418.34) | (2,410.34) |
| | Decrease/(increase) in other bank balances | 83.63 | 814.62 |
| | Decrease/(increase) in other financial assets | (381.66) | (739.62) |
| | Decrease/(increase) in inventories | (4,307.19) | (125.33) |
| | Decrease/(increase) in other non-financial assets | (95.46) | (176.58) |
| | Increase/(decrease) in trade and other payables | (764.13) | 1,027.30 |
| | Increase/(decrease) in other financial liabilities | (805.98) | 1,361.85 |
| | Increase/(decrease) in other non-financial liabilities | 114.07 | 47.53 |
| | Increase/(decrease) in provisions | (86.00) | (46.22) |
| | Cash generated from/ (used in) operations | 5,135.04 | 123.40 |
| | Less: Income Tax Paid (net of refunds) | (3,199.53) | (181.28) |
| | Net cash inflow from/ (used in) operating activities (A) | 1,935.51 | (57.88) |
| B | Cash flows from investing activities | | |
| | (Payments for)/proceeds from property, plant and equipment, intangible assets and CWIP | (301.49) | (594.20) |
| | (Payments for)/proceeds from investment property | 141.40 | - |
| | Receipt of interest | 25.21 | 44.65 |
| | Dividend Income | 6.45 | 1,132.34 |
| | Investments made | (1,630.28) | 645.11 |
| | Net cash inflow from/ (used in) investing activities (B) | (1,758.72) | 1,227.90 |

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------|--|--------------------------------------|--------------------------------------|
| C | Cash flows from financing activities | | |
| | Finance cost | (310.48) | (510.74) |
| | Buy Back of Shares | (1,070.56) | - |
| | Proceeds from borrowings (net) | 1,162.27 | (270.51) |
| | Net cash inflow from/ (used in) financing activities (C) | (218.77) | (781.25) |
| | Net increase (decrease) in cash and cash equivalents (A+B+C) | (41.98) | 388.76 |
| | Cash and cash equivalents at the beginning of the year | 2,148.29 | 1,759.53 |
| | Cash and cash equivalents at the end of the year | 2,106.31 | 2,148.29 |
| | Notes to statement of cash flows | | |
| (i) | Components of cash and bank balances (refer note 3 and 4) | | |
| | Cash and cash equivalents | | |
| | - Cash on hand | 34.48 | - |
| | - Balances with banks in current account | 1,940.83 | 69.33 |
| | Cash and bank balances at end of the year | 1,975.32 | 2,078.97 |
| (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 67. | | |

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 - 23527863BGXHQB7309

Place: New Delhi
Date: 30 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Notes to the consolidated financial statements for the year ended March 31, 2023

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, 2023 | March 31, 2022 |
| Subsidiaries | | | | |
| Almondz Global Securities Limited | June 28, 1994 | India | 58.45% | 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%* |
| Associates | | | | |
| Willis Towers Watson India Brokers Private Limited (till 7th April 2022) | 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, 2023 are the financial statements which has been prepared in

accordance with Ind AS and other applicable guidelines issued by the RBI the periods presented in these financial statements.

The financial statements for the year ended March 31, 2023 were authorised and approved for issue by the Board of Directors on May 30, 2023.

The significant accounting policies adopted for preparation and presentation of these financial statement are included in Note 2. These policies have been applied consistently applied to all the financial year presented in the financial statements except where newly issues accounting standard is initially adopted or revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Notes to the consolidated financial statements for the year ended March 31, 2023

The Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss and disclosures are presented in the format prescribed under Division III of Revised Schedule III of the companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flow.

The financial statements have been prepared under the historical cost convention and accrual basis, except for certain financial assets and liabilities, defined benefit-plan liabilities and share-based payments being measured at fair value.

(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.

Notes to the consolidated financial statements for the year ended March 31, 2023

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) 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 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.

Investment Property

Property that is held to earn rentals and for capital appreciation. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

(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.

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 fair 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 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 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.

(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'.

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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 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 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

3 Cash and cash equivalents

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Cash on hand | 34.49 | 69.33 |
| Balances with banks | | |
| -Balance with banks in current accounts | 1,940.83 | 2,078.97 |
| | 1,975.32 | 2,148.30 |

4 Bank balances other than cash and cash equivalents

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Term deposits with remaining maturity more than 3 months upto 12 months | 995.91 | 625.58 |
| Term deposits with remaining maturity more than 12 months | 5.89 | 459.86 |
| | 1,001.80 | 1,085.43 |

5 Trade receivables

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Secured, Undisputed and considered good | | |
| Receivables | 813.19 | 673.50 |
| Unsecured, Undisputed and considered good | | |
| Receivable for fees, commision and others | 2,206.32 | 2,713.94 |
| Interest accrued on | | |
| -Loans | 690.18 | 652.70 |
| Less: Allowance for impairment | (210.28) | (288.59) |
| | 3,499.40 | 3,751.54 |

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 55.

Trade Receivables ageing schedule on 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---|--|--------------------|------------------|-----------|-----------|-------------------|--------------------------|----------|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for impairment | |
| (i) Undisputed Trade receivables – considered good | 312.63 | 2,875.82 | 71.47 | 213.25 | 55.15 | 178.23 | (207.16) | 3,499.40 |
| (ii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | 3.12 | (3.12) | - |
| Total | 312.63 | 2,875.82 | 71.47 | 213.25 | 55.15 | 181.35 | (210.28) | 3,499.40 |

Trade Receivables ageing schedule on 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---|--|--------------------|------------------|-----------|-----------|-------------------|--------------------------|----------|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for impairment | |
| (i) Undisputed Trade receivables – considered good | 233.00 | 3,275.97 | 63.31 | 60.50 | 137.30 | 266.93 | (285.47) | 3,751.54 |
| (ii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | 3.12 | (3.12) | - |
| Total | 233.00 | 3,275.97 | 63.31 | 60.50 | 137.30 | 270.05 | (288.59) | 3,751.54 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

6 Other receivables

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------|-------------------------|-------------------------|
| From others | 107.11 | 129.35 |
| | 144.00 | 132.28 |

7 Inventories

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| At fair value through profit or loss | | |
| Equity shares - quoted | 104.98 | 97.67 |
| Bonds | 4,951.64 | 650.88 |
| | 5,056.62 | 748.55 |

8 Loans

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Loans to | | |
| -Staff | 73.58 | 17.92 |
| -Related parties | 732.77 | 600.00 |
| -others | 9,826.82 | 6,593.84 |
| Less: Impairment loss allowance | (3.42) | (0.34) |
| | 10,629.75 | 7,211.41 |
| Out of the above | | |
| Loans in India | | |
| -Public sector | - | - |
| -Others | 10,633.17 | 7,211.75 |
| Less: Impairment loss allowance | (3.42) | (0.34) |
| Total in India | 10,629.75 | 7,211.41 |
| Loans outside India | - | - |

9 Investments

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| A. Investment in equity instruments (Quoted) (At fair value through Profit or loss) | | |
| Indo Korea Exports Limited | 38.96 | 38.96 |
| Ritesh Polyester Limited | 5.24 | 5.24 |
| Ecoplast India Limited | 0.20 | 0.20 |
| Vantech Industries Limited | 0.30 | 0.30 |
| Indo Count Industries Limited | - | 594.87 |
| IRB Invit Fund | - | 26.22 |
| Unitech Limited | 2.30 | 4.06 |
| Less: Impairment loss allowance | (44.70) | (44.70) |
| Total - A | 2.30 | 625.14 |
| B. Investment in shares and securities (Quoted) (At fair value through OCI) | | |
| ICICI Prudential Technology Fund | 19.32 | - |
| Tata Digital India Fund | 12.27 | - |
| Aditya Birla Sunlife Mutual Fund | 63.64 | - |
| Motilal Oswal Nifty 50 Index Fund | 27.11 | - |
| Nippon India Index Fund - Mutual Fund | 29.34 | - |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Icici Prudential Mutual Fund | 47.53 | |
| Aksh Optifiber Limited | 35.91 | - |
| Aptech Limited | 36.17 | - |
| IRB Invit Fund | 67.74 | |
| Apollo Pipes Limited | 65.78 | |
| Irb Invit Fund | 57.49 | |
| Jbf Industries Limited | 1.35 | |
| Maharashtra Seamless Limited | 588.84 | |
| Taal Enterprises Limited | 53.63 | |
| Piramal Pharma Limited | 1.37 | |
| Zee Entertainment Enterprises Limited | 3.18 | |
| Vaibhav Global Limited | 2.73 | |
| Orient Bell Limited | 4.87 | - |
| Lemon Tree Hotels Limited | 1.55 | - |
| Aksh Optifibre Limited | 4.25 | - |
| Happiest Minds Technolgies Ltd | 3.86 | - |
| Aptus Value Housing Finance India Limited | 7.30 | - |
| Indian Railway Finance Corporation Ltd | 1.33 | |
| 9.10% REC 2029 Bonds | 8.03 | |
| Total - B | 1,144.59 | - |
| C. Investment in equity instruments (Unquoted) (At fair value through Profit or loss) | | |
| Dijit Prognosis Private Limited | 3.00 | 3.00 |
| SKTK Projects Limited (Formerly Shivsati Niketan Limited) | - | 2.60 |
| Network 1 Media Consultant Pvt. Ltd. | 30.00 | 30.00 |
| Globus Industries & Services Ltd. | 1.00 | 1.00 |
| Shivaz Spas & Hospitality Private Limited | 2.00 | 2.00 |
| Carya Chemicals and Fertilisers Private Limited | 48.94 | 48.94 |
| Yug Infrastructures Private Ltd | 57.00 | 57.00 |
| Classy Investment Pvt Ltd | 185.00 | 185.00 |
| Incred Capital financial Services Private Ltd. | 100.00 | - |
| Premier Alcobev Private Limited | 1,000.00 | - |
| | 1,426.94 | 329.54 |
| Less: Impairment loss allowance | (36.00) | (36.00) |
| Total - C | 1,390.94 | 293.54 |
| D. Investment in others, at cost | | |
| National Savings Certificate | 0.23 | 0.23 |
| Less: Impairment loss allowance | (0.23) | (0.23) |
| Investment in painting and sculptures | 15.44 | 18.64 |
| Total - E | 15.44 | 18.64 |
| Total (A+B+C+D) | 2,553.28 | 937.33 |
| Out of the above | | |
| In India | 2,553.28 | 937.33 |
| Outside India | - | - |
| | 2,553.28 | 937.33 |

10 Other financial assets

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Security deposits | | |
| -Rented premises | 3.61 | 3.61 |
| -Deposits with stock exchanges | 285.75 | 223.99 |
| -Others | 1,770.20 | 1,383.00 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Less: Impairment loss allowance | - | - |
| Receivable on account of sale of shares | 92.95 | 182.95 |
| Interest accrued on | | |
| -Fixed deposits | 37.10 | 41.59 |
| -Bonds and securities | 37.90 | 10.71 |
| | 2,227.51 | 1,845.85 |

The group's exposure to credit risk is disclosed in note 55.

11 Inventories

| | As at March 31, 2023 | As at March 31, 2022 |
|----------------|-------------------------|-------------------------|
| At cost | | |
| Consumables | 3.98 | 4.86 |
| | 3.98 | 4.86 |

12 Income tax assets

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------|-------------------------|-------------------------|
| Income tax assets | 321.45 | 457.29 |
| | 321.45 | 457.29 |

13 Deferred tax assets

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| Deferred tax assets (refer note 60) | 394.63 | 397.29 |
| MAT credit entitlement | 130.97 | 175.12 |
| | 525.59 | 572.41 |

14 Property, plant and equipment

| Description | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|---------------------------|---------------------------|---------------------------------|-------------------------|----------------------------|---------------------------|-----------------|-------------------------|----------------------------|----------------------------|
| | As at April 1, 2022 | Additions during the year | Disposal/ Adjustment | As at March 31, 2023 | As at April 1, 2022 | For the year | Disposal/ Adjustment | As at March 31, 2023 | As at March 31, 2023 |
| Furniture and fixtures | 34.47 | 3.08 | 1.30 | 36.25 | 14.74 | 2.67 | 0.51 | 16.90 | 19.35 |
| Computers and peripherals | 104.56 | 36.18 | 0.93 | 139.81 | 70.03 | 9.58 | 0.85 | 78.76 | 61.06 |
| Office equipment | 76.97 | 15.18 | 4.64 | 87.51 | 40.92 | 9.18 | 4.13 | 45.97 | 41.54 |
| Vehicle | 105.11 | 103.41 | | 208.52 | 39.94 | 21.06 | | 61.00 | 147.52 |
| Leasehold improvements | 108.56 | 1.65 | 18.74 | 91.47 | 43.47 | 9.76 | | 53.23 | 38.23 |
| Plant and Machinery | 468.08 | 491.46 | 0.31 | 959.23 | 113.65 | 57.94 | | 171.59 | 787.64 |
| Office buildings | 29.89 | 0.45 | | 30.34 | 2.41 | 0.60 | | 3.01 | 27.33 |
| Land | 59.44 | | | 59.44 | - | | | - | 59.44 |
| Total | 987.09 | 651.41 | 25.92 | 1,612.58 | 325.16 | 110.79 | 5.49 | 430.46 | 1,182.11 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| Previous year | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block | |
|---------------|---------------------------|---------------------|---------------------------|----------------------|--------------------------|---------------------|--------------|----------------------|---------------|----------------------|
| | Description | As at April 1, 2021 | Additions during the year | Disposal/ Adjustment | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposal/ Adjustment | | As at March 31, 2022 |
| | Furniture and fixtures | 33.85 | 1.54 | 0.93 | 34.47 | 12.60 | 2.73 | 0.59 | 14.74 | 19.73 |
| | Computers and peripherals | 86.23 | 18.95 | 0.62 | 104.56 | 63.86 | 6.76 | 0.59 | 70.03 | 34.54 |
| | Office equipment | 68.07 | 10.32 | 1.42 | 76.97 | 31.97 | 10.22 | 1.27 | 40.92 | 36.05 |
| | Vehicle | 80.96 | 24.15 | - | 105.11 | 25.35 | 14.60 | - | 39.94 | 65.17 |
| | Leasehold improvements | 99.84 | 8.72 | - | 108.56 | 31.90 | 11.58 | - | 43.47 | 65.08 |
| | Plant and Machinery | 410.18 | 57.90 | - | 468.08 | 80.76 | 32.89 | - | 113.65 | 354.43 |
| | Office buildings | 29.89 | - | - | 29.89 | 1.80 | 0.60 | - | 2.41 | 27.48 |
| | Land | 59.44 | - | - | 59.44 | - | - | - | - | 59.44 |
| | Total | 868.47 | 121.58 | 2.97 | 987.09 | 248.24 | 79.38 | 2.45 | 325.16 | 661.92 |

Footnotes:

- (i). The group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2023 and March 31, 2022.
- (ii). Please refer note 49 for capital commitments.
- (iii). There are no impairment losses recognised during the year.
- (iv). There are no exchange differences adjusted in Property, Plant & Equipment.

15 Investment property

| | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| A. Reconciliation of carrying amount | | |
| Cost or deemed cost | | |
| Opening balance | 5,371.83 | 5,371.83 |
| Additions/(deletions) during the year | (66.45) | - |
| Total carrying amount | 5,305.38 | 5,371.83 |
| Accumulated depreciation | | |
| Opening balance | 305.97 | 227.40 |
| Depreciation during the year | 74.49 | 78.56 |
| | 380.45 | 305.97 |
| Total carrying amount | 4,924.93 | 5,066.33 |

B. Amounts recognised to the Statement of profit and loss

| | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Rental income | 232.34 | 207.22 |
| Profit from investment properties before depreciation | 232.34 | 207.22 |
| Depreciation expense | (74.49) | (78.56) |
| Profit from investment property | 157.85 | 128.66 |

C. Measurement of fair value

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------|----------------------|----------------------|
| Investment property | 5,315.41 | 5,434.07 |
| | 5,315.41 | 5,434.07 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

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 and residential flats in various places over India. During financial year 2019-20, the company has revalued the investment property at fair value for disclosure purpose and is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules , 2017. For FY 2022-23 same valuation has been taken for fair value purpose since there is no significant change in market factors.

Title Deeds of investment properties are in name of the Company.

16 Capital-Work-in Progress (CWIP)

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| Capital-Work-in Progress (CWIP) | - | 408.16 |
| | - | 408.16 |

CWIP Aging Schedule as on 31 March 2023

| Capital-Work-in Progress (CWIP) | Amount in CWIP for a period of | | | |
|---------------------------------|--------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | - | - | - | - |
| Total | - | - | - | - |

CWIP Aging Schedule as on 31 March 2022

| Capital-Work-in Progress (CWIP) | Amount in CWIP for a period of | | | |
|---------------------------------|--------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | 408.16 | - | - | - |
| Total | 408.16 | - | - | - |

17 Goodwill

| | As at March 31, 2023 | As at March 31, 2022 |
|----------|-------------------------|-------------------------|
| Goodwill | 37.43 | 37.43 |
| | 37.43 | 37.43 |

18 Other intangible assets

| Current year Description | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block As at March 31, 2023 |
|-----------------------------|---------------------------|---------------------------------|-------------------------|----------------------------|--------------------------|-----------------|-------------------------|----------------------------|---|
| | As at April 1, 2022 | Additions during the year | Disposal/ Adjustment | As at March 31, 2023 | As at April 1, 2022 | For the year | Disposal/ Adjustment | As at March 31, 2023 | |
| Computer software | 78.55 | 2.45 | - | 81.00 | 57.47 | 7.61 | - | 65.08 | 15.92 |
| Website design | 0.97 | - | - | 0.97 | 0.38 | 0.09 | - | 0.47 | 0.50 |
| Trade mark in process | 0.22 | - | - | 0.22 | - | - | - | - | 0.22 |
| Total | 79.74 | 2.45 | - | 82.19 | 57.85 | 7.70 | - | 65.55 | 16.64 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| Previous year Description | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block As at March 31, 2022 |
|------------------------------|---------------------------|---------------------------------|-------------------------|----------------------------|---------------------------|-----------------|-------------------------|----------------------------|---|
| | As at April 1, 2021 | Additions during the year | Disposal/ Adjustment | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposal/ Adjustment | As at March 31, 2022 | |
| Computer software | 77.61 | 0.94 | - | 78.55 | 47.23 | 10.24 | - | 57.47 | 21.08 |
| Website design | 0.97 | - | - | 0.97 | 0.29 | 0.09 | - | 0.38 | 0.59 |
| Trade mark in process | 0.22 | - | - | 0.22 | - | - | - | - | 0.22 |
| Total | 78.80 | 0.94 | - | 79.74 | 47.52 | 10.33 | - | 57.85 | 21.89 |

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, 2023 and March 31, 2022.
- (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.

19 Intangible assets under development

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| Intangible assets under development | 6.45 | 3.20 |
| | 6.45 | 3.20 |

Intangible assets under development Aging Schedule as on 31 March 2023

| Intangible assets under development | Amount in CWIP for a period of | | | |
|-------------------------------------|--------------------------------|-------------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| ERP Accounting Software | 3.25 | 3.20 | - | - |
| Total | 3.25 | 3.20 | - | - |

* Accounting Software is merchant software purchased from Unique Software Ltd. and being updated for masters and other control fields as deired by management , hence this software is yet to be put to use.

Intangible assets under development Aging Schedule as on 31 March 2022

| Intangible assets under development | Amount in CWIP for a period of | | | |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| ERP Accounting Software | 3.20 | - | - | - |
| Total | 3.20 | - | - | - |

20 Right-of-use assets

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| Right-of-use assets (refer note 52) | 219.99 | 413.43 |
| | 219.99 | 413.43 |

21 Other non-financial assets

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Balances with government authorities | 171.57 | 199.47 |
| Advances for rendering services | 39.22 | 11.22 |
| Accrued income | 44.18 | 50.22 |
| Other advances | 139.39 | 258.60 |
| Unbilled debtors | 3.35 | 5.54 |
| Service work in progress | 264.86 | 260.85 |
| Contract assets | 298.36 | 140.87 |
| Prepaid expenses | 145.39 | 90.31 |
| Capital advances for property | 2,374.55 | 2,367.57 |
| Prepaid lease rent | 0.38 | 1.13 |
| | 3,481.23 | 3,385.77 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

22 Trade payables

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Trade payables | | |
| - to micro and small enterprises (refer note 53) | - | - |
| - to others | 611.64 | 1,126.75 |
| | 611.64 | 1,126.75 |

Trade Payables ageing schedule on 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 584.47 | 13.70 | 2.83 | 10.64 | 611.64 |
| (iii) Disputed Dues- MSME | - | - | - | - | - |
| (iv) Disputed Dues- Others | - | - | - | - | - |
| Total | 584.47 | 13.70 | 2.83 | 10.64 | 611.64 |

Trade Payables ageing schedule on 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------|--|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 1,086.03 | 6.84 | 15.72 | 18.16 | 1,126.75 |
| (iii) Disputed Dues- MSME | - | - | - | - | - |
| (iv) Disputed Dues- Others | - | - | - | - | - |
| Total | 1,086.03 | 6.84 | 15.72 | 18.16 | 1,126.75 |

23 Other payables

| | As at March 31, 2023 | As at March 31, 2022 |
|----------------|-------------------------|-------------------------|
| Due to clients | 1,565.37 | 1,847.83 |
| | 1,565.37 | 1,847.83 |

24 Borrowings other than debt securities

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Secured loans | | |
| From banks | | |
| -Term loan (refer footnote) | 261.54 | 411.93 |
| -Vehicle loan (refer footnote) | 87.42 | 14.07 |
| -Overdrafts (refer footnote) | 530.91 | 407.94 |
| Unsecured loans | | |
| From others (refer footnote) | 1,527.36 | 411.02 |
| Total borrowings | 2,407.23 | 1,244.96 |

Footnotes:

(i) Term loan from banks

- Property loan, taken by Almondz Global Securities Ltd., from Union Bank of India amounting to Rs.Nil (previous year Rs.136.20 lac) is secured by way of equitable mortgage of property at Unit No. 501, Grande Palladium, Kalina, Santacruz East, Mumbai owned by the Company.
- NSV Machine Loan, taken by Almondz Global Infra Consultants Ltd., from Bank of Baroda amounting to Rs.251.12 Lac (previous year Rs.187.91 Lac). This NSV Machine Loan was sanctioned by bank for import of machine amounting Rs. 321 Lakh, disbursement amount upto 31.03.2022 is Rs. 193.26 Lakh and balance disbursement is made on April 2022 amounting Rs.127.74 Lakh. The loan is repayable in 66 months inclusive of 6 months of moratorium from date of 1st disbursement amounting Rs. 5.35 lac pm as principle amount and interest is served as and when levied. Rate of Interest is 10.75% p.a. The last installment is due on march 2027.
- MBIU Machine Loan, taken by Almondz Global Infra Consultants Ltd., from Bank of Baroda amounting to Rs.2.83 Lac (previous year Rs.5.18 Lac). Term loan for MBIU Machine is repayable in 48 equated monthly installments starting from April 2018 and last installment has been paid in May 2022, interest rate is 10.75% p.a.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

Both term loan are secured against hypothecation of equipment purchased and common collateral security of property No-

- i) S-416, Fourth Floor, South Block, Manipal Centre, Dickenson Road, Banglore-562042 in the name of holding company Almondz Global Securities Limited,
- ii) Flat no 705 7th Floor Building No 20 Located at Prabhat CHS Ltd . Shastri nagar Goregoan(W) Mumbai in the name of Almondz Finanz limited.
- iii) Flat no 905 9th Floor Building No 20 Located at Prabhat CHS Ltd . Shastri nagar Goregoan(W) Mumbai in the name of Almondz Finanz limited.

4 Equipment Term loan, taken by Skiffle Healthcare Services Ltd., from Indusind Bank amounts to Rs. 23.24 lac (March 31, 2021: 43.00 lacs.)

(ii) Vehicle loan from banks

- 1 Vehicle loan, taken by Almondz Global Securities Ltd., from HDFC Bank amounting to Rs.60.98 Lac (Previous year Rs. Nil Lac). This loan is for purchase of Lexus Car on 3 June 2022 amounting Rs. 69.50 lac- repayable in 60 equated monthly installment of Rs. 1.38 lac from July 2023 and hypothecated against vehicle purchased. The last installment is due on 7 June 2027. The interest rate is 7.30 % p.a.
- 2 Vehicle Loan,taken by Almondz Global Infra Consultants Ltd., from bank amounting to Rs.10.78 Lac (Previous year Rs.14.07 Lac). This Loan was taken from Bank of baroda for Purchase of Scorpio Car on 07.02.2022 amounting Rs. 14.20 Lakh- repayable in 84 equated monthly installment of Rs. 0.21 from March 2022 and hypothecated against vehicle purchased. The last installment is due on 05-03-2029. The interest rate is 7.10 % p.a.
- 3 Vehicle Loan,taken by Avonmore Capital Services & Management Ltd., from bank amounting to Rs.17.07 Lac (Previous year Rs.Nil Lac). This Loan was taken from HDFC Bank for Purchase of Crata Car on Oct.22 amounting Rs. 17.07 Lakh- repayable in 60 equated monthly installment of Rs. 0.35 from Sept 2022 and hypothecated against vehicle purchased. The last installment is due on Nov.27 . The interest rate is 7.30 % p.a.

(iii) Overdraft from banks

- 1 Overdraft limit from IDBI Bank Limited, taken by Almondz Global Securities Ltd., is Rs. 54.76 lac (previous year Rs.NIL). This Limit is secured by way of pledged fixed deposits with bank, the rate of interest of which is 6.25% per annum.
- 2 Overdraft limit from Bank Of Baroda, taken by Almondz Global Infra Consultants Ltd., is Rs. 4.81 lac (previous year Rs.Nil). This Limit is secured by way of pledged fixed deposits with bank.
- 3 Cash Credit facility,taken by Almondz Global Infra Consultants Ltd., from Union Bank of India is Rs.471.34 lac (previous year Rs.407.94). This Limit 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 grande palladium, 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 holding company). The sanctioned limit is Rs.500.00 lacs and the interest rate is 12.80% p.a.

Monthly returns or statements of current book debts filed by the Company with bank are in agreement with the books of accounts.

(iv) Unsecured loans from related / other parties

Loans are repayable on demand along with the interest.

The company has not used the borrowings from banks and financial institutions for the purpose other than specific purpose for which it was taken at the balance sheet date.

Overdraft limit of Nil (31-03-21 :Rs. 370.86 lac) is secured by way of bonds pledged with Axis Bank, the rate of interest rate one yeal MCLR +2.25% pa. (payable monthly).

(iv) Secured loan from others

Loan from Diamler Financial Services India Private Limited to AGICL is repayble 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.

(iii) Unsecured loans from related / other parties

Loans are repayable on demand along with the interest and carries aninterest rate of 9% to 12% per annum.

25 Lease liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Lease liabilities (refer note 52) | 238.70 | 522.75 |
| | 238.70 | 522.75 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

26 Other financial liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Interest accrued on borrowings | 542.69 | 113.61 |
| Security deposits | 125.48 | 121.58 |
| Payables for property, plant and equipment | 50.20 | 232.67 |
| Payable for purchase of investments | 8.52 | 1.83 |
| Other payable | 1,516.80 | 1,506.29 |
| Book Overdraft | - | 1,105.50 |
| Employee related payables | 237.15 | 205.35 |
| | 2,480.84 | 3,286.82 |

27 Income tax liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|------------------------|-------------------------|-------------------------|
| Income tax liabilities | 0.46 | 353.85 |
| | 0.46 | 353.85 |

28 Deferred tax liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Deferred tax liabilities (refer note 60) | 8.04 | 7.52 |
| | 8.04 | 7.52 |

29 Provisions

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Provision for gratuity | 191.63 | 176.49 |
| Provision for compensated absences | 33.08 | 44.93 |
| Other provisions | | |
| Contingent provisions for standard assets | 31.61 | 24.20 |
| | 256.31 | 245.62 |

30 Other non-financial liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|------------------------|-------------------------|-------------------------|
| Statutory dues payable | 457.74 | 338.55 |
| Deferred income | 1.34 | 6.47 |
| | 459.09 | 345.02 |

31 Equity share capital

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Authorised | | |
| 3,00,00,000 equity shares of Rs. 10 each | 3,000.00 | 3,000.00 |
| | 3,000.00 | 3,000.00 |
| Issued, subscribed and fully paid-up | | |
| 2,42,70,900 equity shares of Rs. 10 each | 2,492.17 | 2,492.17 |
| Less: Shares Extingusihed on Buy Back | -91.77 | |
| | 2,400.40 | 2,492.17 |

a). Terms and rights attached to equity shares

Voting

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

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

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, 2022, 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.

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

| | Year ended March 31, 2023 | | Year ended March 31, 2022 | |
|---|------------------------------|-----------------|------------------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of year | 24,270,900 | 2,427.09 | 24,270,900 | 2,427.09 |
| Less: Share Buyback | (917,680) | (91.77) | - | - |
| Outstanding at the end of the year | 23,353,220 | 2,335.32 | 24,270,900 | 2,427.09 |
| Add: Shares forfeited | 1,379,380 | 65.08 | 1,379,380 | 65.08 |
| Total Outstanding at the end of the year | 24,732,600 | 2,400.40 | 25,650,280 | 2,492.17 |

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

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------|----------------------|-----------|
| | No. of shares | % Holding | No. of shares | % Holding |
| Innovative Money Matters Private Limited | 9,166,629 | 39.25% | 9,053,010 | 37.30% |
| Navjeet Singh Sobti | 2,190,233 | 9.38% | 2,076,315 | 8.55% |
| Rakam Infrastructures Private Limited | 4,573,038 | 19.58% | 4,490,405 | 18.50% |

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.

f). Details of Shareholding of Promoters

The details of the shares held by promoters as at March 31, 2023 and as at March 31 2022 are as follows :

| S. No | Name of the Promoter Group | No. of shares held 31.03.2023 | | No. of shares held 31.03.2022 | | % Change during the year |
|-------|----------------------------------|-------------------------------|--------|-------------------------------|--------|--------------------------|
| 1 | Navjeet Singh Sobti | 2,190,233 | 9.38% | 2,076,315 | 8.55% | 0.05 |
| 2 | Gurpreet Singh Sobti | 168,406 | 0.72% | 5,000 | 0.02% | 32.68 |
| 3 | Rakam Infrastructures Pvt Ltd | 4,573,038 | 19.58% | 4,490,405 | 18.50% | 0.02 |
| 4 | Innovative Money Matters Pvt Ltd | 9,166,629 | 39.25% | 9,053,010 | 37.30% | 0.01 |

g). Shares reserved for issue under Employee Stock Option Plan

| Particulars | No. of stock options | |
|---------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2022 |
| From Series A to Series F | - | - |
| Series G | 3,900,000 | 3,900,000 |
| Series H | 300,000 | 300,000 |
| Series I | 1,210,000 | 1,210,000 |

32 Other Equity

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| a). Securities premium | | |
| Balance at beginning of the year | 2,564.18 | 2,564.18 |
| Additions during the year | - | - |
| Balance at end of the year | 2,564.18 | 2,564.18 |
| b). Special reserve | | |
| Balance at beginning of the year | 1,014.92 | 955.41 |
| Additions during the year | 416.75 | 59.51 |
| Balance at end of the year | 1,431.68 | 1,014.92 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| Particulars | No. of stock options | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2022 |
| c). Capital reserve | | |
| Balance at beginning of the year | 3,905.00 | 3,905.00 |
| Addition/(deletion) during the year | - | - |
| Balance at end of the year | 3,905.00 | 3,905.00 |
| d). Employee stock option reserve | | |
| Balance at beginning of the year | 161.29 | 94.88 |
| Additions during the year | 101.84 | 66.42 |
| Balance at end of the year | 263.13 | 161.29 |
| e). Retained earnings | | |
| Balance at beginning of the year | 10,397.27 | 7,275.76 |
| Add: Profit/(loss) for the year | 11,544.96 | 3,181.01 |
| Less: Transfer to special reserve | (416.75) | (59.51) |
| Less: Disposal of investment in associate | (3,438.41) | - |
| Less: Tax on Buy Back of Equity Shares | (181.72) | - |
| Less: Expenses of Buy Back of Equity Shares | (17.05) | - |
| Less: Buy-Back of Equity Shares | (780.03) | - |
| Less: Capital Redemption Reserve | (91.77) | - |
| Adj for Deemed Eq | | |
| Balance at end of the year | 17,016.49 | 10,397.27 |
| f). Capital Redemption Reserve | | |
| Balance at beginning of the year | - | - |
| Additions during the year | 91.77 | - |
| Balance at end of the year | 91.77 | - |
| g). Other comprehensive income | | |
| Balance at beginning of the year | 90.46 | 70.93 |
| Add: Other comprehensive income for the year | 22.03 | 19.53 |
| Add: Gain on equity instruments through OCI for the year | 13.62 | - |
| Balance at end of the year | 126.11 | 90.46 |
| i). Share Application Money | | |
| Balance at beginning of the year | - | - |
| Additions during the year | 20.50 | - |
| Balance at end of the year | 20.50 | - |
| Total Other equity | 25,418.86 | 18,133.13 |

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**
The capital reserve was generated on account of forfeiture of share warrants. It also includes adjustments made during the preparation of the consolidated financial statements.
- d). Employee stock option reserve**
The group has an equity settled share -based payment plan for certain categories of employees of the group. Refer note 57 for further details on these plan.
- e). Retained earnings**
Retained earnings represents the surplus in profit and loss account and appropriations.
- f). Capital Redemption Reserve**
This Capital Redemption Reserve was booked on account of bought back 9,17,680 equity shares under buyback offer on 25th July 2022 (i.e. Settlement date) and the said shares have been extinguished on 28th July 2022.
- g). Other comprehensive income**
Other comprehensive income consist of remeasurement gains/ losses on defined benefit plans carried through FVTOCI.
- i). Share Application Money Pending Allotment**
Share Application Money is received on account exercise of ESOPs - " Series G" of which allotment of share were made in April 2023.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

33 Interest income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Interest income on | | |
| -loans | 1,003.50 | 1,045.24 |
| -bank deposits | 99.25 | 96.26 |
| -fixed deposits with stock exchanges | 14.48 | 27.63 |
| | 1,117.23 | 1,169.13 |

34 Dividend income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------|------------------------------|------------------------------|
| Dividend income | 6.45 | 1,132.34 |
| | 6.45 | 1,132.34 |

35 Fees and commision income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|------------------------------------|------------------------------|------------------------------|
| Advisory and consulting activities | 5,167.22 | 4,622.55 |
| Broking activities | 1,092.47 | 1,001.37 |
| | 6,259.69 | 5,623.92 |

36 Net gain / loss on fair value changes

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| On financial instruments designated at fair value through profit or loss | (42.55) | 138.93 |
| | (42.55) | 138.93 |

37 Other operating income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|------------------------------|------------------------------|------------------------------|
| On trading portfolio | | |
| -Shares | (31.88) | 34.64 |
| -Securities/bonds | 1,129.17 | 194.15 |
| -Derivatives | (38.45) | 0.31 |
| Profit on sale of investment | 12,707.80 | - |
| Sale of spectacles | - | 49.58 |
| Delayed payment charges | 23.73 | 26.43 |
| | 13,790.37 | 305.11 |

38 Other income

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Liabilities written back | 33.44 | 63.61 |
| Provisions written back | 1.87 | 9.55 |
| Rental income | 232.34 | 207.22 |
| Interest income on income tax refund | 25.21 | 44.65 |
| Miscellaneous income | 46.03 | 24.98 |
| | 348.80 | 350.01 |

39 Finance costs

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------|------------------------------|------------------------------|
| Interest expenses | 310.48 | 433.27 |
| Other borrowing costs | (0.00) | 77.48 |
| | 310.48 | 510.74 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

40 Fees and commision expense

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Brokerage and commission | 3,003.65 | 2,777.74 |
| Membership and subscription expenses | 21.34 | 7.28 |
| | 3,024.99 | 2,785.02 |

41 Impairment on financial instruments

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Impairment Loss or (Gain) on financial instruments On trade receivables (refer note 55) | (77.17) | 30.88 |
| | (77.17) | 30.88 |

42 Purchase of stock in trade

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|------------|------------------------------|------------------------------|
| Spectacles | - | 23.62 |
| | - | 23.62 |

43 Changes in inventories of stock-in-trade

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Inventories at the beginning of the year | - | 5.39 |
| | - | 5.39 |

44 Employee benefit expenses

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 2,274.91 | 2,009.38 |
| Gratuity | 55.93 | 62.00 |
| Staff welfare expense | 57.35 | 28.32 |
| Contribution to provident and other funds | 58.12 | 56.93 |
| | 2,446.31 | 2,156.63 |

45 Depreciation and amortisation expense

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Depreciation on tangible assets (refer note 14) | 105.75 | 79.28 |
| Depreciation on investment property (refer note 15) | 74.49 | 78.56 |
| Amortization of right-of-use assets (refer note) | 34.65 | 78.42 |
| Amortisation of other intangible assets (refer note 17) | 11.22 | 10.33 |
| | 226.11 | 246.59 |

46 Other expenses

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Legal and professional expenses | 211.17 | 214.50 |
| Rent | 97.23 | 79.58 |
| Auditors' remuneration (refer footnote) | 13.58 | 11.71 |
| Business promotion | 19.34 | 11.04 |
| Charity and donations | 0.08 | 1.89 |
| Demat Charges | 0.67 | - |
| Electricity and water expenses | 65.36 | 49.85 |
| Insurance charges | 21.17 | 17.44 |
| Rates and taxes | 60.41 | 56.92 |
| Repair and maintenance | 130.03 | 116.85 |
| Printing and stationery | 45.02 | 27.97 |
| Communication expenses | 82.58 | 48.47 |
| Advertisement expenses | 2.65 | 3.41 |
| Loss on error trades | 53.35 | 42.31 |
| Net loss on sale on investments | 19.51 | 123.06 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Provision for non-performing assets | 5.00 | 0.39 |
| Contingent provision for standard assets | 7.41 | 6.04 |
| Consumbales | 41.61 | 39.70 |
| Balances written off | 155.65 | 138.43 |
| Bad debts written off | 229.17 | 21.69 |
| SEBI and stock exchange fee and charges | 43.36 | 22.97 |
| Tender expenses | 16.58 | 4.15 |
| Travelling and conveyance | 225.47 | 155.44 |
| Bank charges | 11.97 | 23.65 |
| Miscellaneous expenses | 52.77 | 24.85 |
| | 1,611.14 | 1,242.33 |

Footnote:

| Payment of remuneration to auditors (excluding GST) | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Statutory audit | 13.58 | 11.53 |
| Other services | - | 0.18 |
| | 13.58 | 11.71 |

47 Earnings per share

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Basic and diluted earnings per share | | |
| From continuing operations attributable to the equity holders of the holding company | 48.84 | 13.38 |
| 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 | 11,544.96 | 3,247.43 |
| | 11,544.96 | 3,247.43 |
| (b) Weighted average number of shares used as the denominator | | |
| Weighted average number of outstanding equity shares | 2,42,70,900 | 2,42,70,900 |
| Effect of shares reduced on account of buy back 9,17,680 equity shares during the year. | (6,33,576) | |
| | 2,36,37,324 | 2,42,70,900 |

(c) At present, the group does not have any dilutive potential equity share.

48 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.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

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.

For the year ended March 31, 2023

| | 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 | 1,007.00 | 5,085.00 | 1,140.00 | 796.00 | 12,888.00 | 197.00 | 24.00 | 21,137.00 |
| - Inter segment revenue | - | - | - | - | - | - | - | - |
| Revenue from external customers | 1,007.00 | 5,085.00 | 1,140.00 | 796.00 | 12,888.00 | 197.00 | 24.00 | 21,137.00 |
| Segment profit before tax | 403.00 | 249.00 | 112.00 | 189.00 | 13,335.00 | (256.00) | 3.00 | 14,035.00 |
| Segment assets | 5,378.00 | 4,732.00 | 4,180.00 | 11,858.00 | 5,939.00 | 286.00 | 6,111.00 | 38,484.00 |
| Segment liabilities | 773.00 | 2,069.00 | 1,820.00 | 679.00 | - | 300.00 | 312.00 | 5,953.00 |

For the year ended March 31, 2022

| | 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 | 355.00 | 4,519.00 | 1,068.00 | 984.00 | 1,186.00 | 250.00 | 14.00 | 8,376.00 |
| - Inter segment revenue | - | - | - | - | - | - | - | - |
| Revenue from external customers | 355.00 | 4,519.00 | 1,068.00 | 984.00 | 1,186.00 | 250.00 | 14.00 | 8,376.00 |
| Segment profit before tax | 244.00 | 160.00 | 84.00 | 350.00 | 1,171.00 | (121.00) | (1.00) | 1,887.00 |
| Segment assets | 959.00 | 4,813.00 | 3,131.00 | 11,219.00 | 5,939.00 | 473.00 | 4,981.00 | 31,515.00 |
| Segment liabilities | 75.00 | 2,683.00 | 1,956.00 | 1,116.00 | - | 349.00 | 15.00 | 6,194.00 |

48 Operating segments

C Reconciliations of information on reportable segments

i). Revenues

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| Total revenue for reportable segments | | |
| Debt and equity market operations | 1,007.00 | 355.00 |
| Consultancy and advisory fees | 5,085.00 | 4,519.00 |
| Wealth Advisory / Broking activities | 1,140.00 | 1,068.00 |
| Finance activities | 796.00 | 984.00 |
| Investment activities | 12,888.00 | 1,186.00 |
| Healthcare activities | 197.00 | 250.00 |
| Others | 24.00 | 14.00 |
| Unallocable | - | - |
| Inter-segment eliminations | - | - |
| Total revenue | 21,137.00 | 8,376.00 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

ii). Total comprehensive income

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Total profit before tax for reportable segments | | |
| Elimination of inter-segment profits | 14,035.00 | 1,887.00 |
| Other income | - | - |
| Unallocated expenses: | 97.00 | 151.00 |
| Finance cost | -0.13 | 17.76 |
| Other expenses | - | - |
| Profit before tax | 13,938.13 | 1,718.24 |
| Share of net profit of associates accounted for using the equity method | 1,433.71 | 2,828.76 |
| Tax expense | 3,186.03 | 501.97 |
| Profit after tax | 12,185.81 | 4,045.03 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of defined benefit plans | 10.72 | 47.58 |
| Changes in fair value gain / (loss) of FVOCI equity instruments | 35.35 | - |
| Income tax relating to these items | (8.40) | (13.29) |
| Other comprehensive income for the year | 37.68 | 34.29 |
| Total comprehensive income for the year | 12,223.48 | 4,079.32 |

iii). Assets

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Total assets for reportable segments | | |
| Debt and equity market operations | 5,378.00 | 959.00 |
| Consultancy and advisory fees | 4,732.00 | 4,813.00 |
| Wealth Advisory / Broking activities | 4,180.00 | 3,131.00 |
| Finance activities | 11,858.00 | 11,219.00 |
| Investment activities | 5,939.00 | 5,939.00 |
| Healthcare activities | 286.00 | 473.00 |
| Others | 6,111.00 | 4,981.00 |
| Unallocable | 5,689.11 | 5,892.06 |
| Inter-segment eliminations | - | - |
| Total assets | 44,173.11 | 37,407.06 |

iv). Liabilities

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Total liabilities for reportable segments | | |
| Debt and equity market operations | 773.00 | 75.00 |
| Consultancy and advisory fees | 2,069.00 | 2,683.00 |
| Wealth Advisory / Broking activities | 1,820.00 | 1,956.00 |
| Finance activities | 679.00 | 1,116.00 |
| Investment activities | - | - |
| Healthcare activities | 300.00 | 349.00 |
| Others | 312.00 | 15.00 |
| Unallocable | 2,074.68 | 2,787.12 |
| Intersegment eliminations | - | - |
| Total Liabilities | 8,027.68 | 8,981.12 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

49 Contingent liabilities, contingent assets and commitments

A Contingent liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Suit filed by client on the Company for recovery on account of unauthorised trades of stock exchanges/deficiency in services. These matters are pending before various dispute resolution authorities. | - | 73.99 |
| 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 Skiffle Healthcare Services Limited. | 23.34 | 43.00 |
| Bank guarantee as on date (net of fixed deposits) | 619.71 | 870.72 |
| Collateral given to Oriental Bank of Commerce by North Square Projects Private Limited for the loan taken by Premier Alcobev Private Limited | 607.66 | 607.66 |
| | 1315.20 | 1659.86 |

B Commitments

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Commitment against purchase of property | 79.37 | 79.37 |
| Estimated amount of contracts remaining to be extracted on capital account and not provided for (net of advances) | - | 139.39 |
| | 79.37 | 218.75 |

C Contingent assets

The Group does not have any contingent assets as at March 31, 2023 (March 31, 2022).

50 Ratios

NBFC-ND with asset size of less than Rs.500 crores are exempted from the requirement of maintaining CRAR and, hence these ratio are not applicable to the company

51 The Company does not have any material transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

52 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.

Disclosure in respect of such operating leases is as given below:

Lease liabilities

| The movement in lease liabilities during the year ended March 31, 2023 is as follows : | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening Balance | 522.75 | 487.46 |
| Addition/ Deletion during the year | (220.48) | 98.08 |
| Finance cost accrued during the year | 39.58 | 67.59 |
| Payment of lease liabilities | (103.15) | (130.38) |
| Closing Balance | 238.70 | 522.75 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

The details of the contractual maturities of lease liabilities as at March 31, 2023 on undiscounted basis are as follows:

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Not later than one year | 88.79 | 107.24 |
| Later than one year but not later than five years | 149.91 | 406.01 |
| Later than five years | - | 9.50 |
| | 238.70 | 522.75 |
| Right-of-use (ROU) assets | | |
| The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows : | | |
| | As at March 31, 2023 | As at March 31, 2022 |
| Opening Balance | 413.43 | 393.75 |
| Amortisation of ROU assets | (26.87) | (56.13) |
| Addition/ Deletion during the year | (166.58) | 75.81 |
| Closing Balance | 219.99 | 413.43 |

53 Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 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. | - | - |

54 Corporate Social Responsibility

As per Section 135 of The Companies Act, 2013 related to Corporate Social Responsibility provision is not applicable.

55 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.

i). As at March 31, 2023

| Particulars | Carrying value | | | Fair value measurement using | | |
|--------------------------------|----------------|----------------|-----------------|------------------------------|---------|---------|
| | FVTPL | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | 1,975.32 | 1,975.32 | - | - | - |
| Bank balances other than above | - | 1,001.80 | 1,001.80 | - | - | - |
| Receivables | | | | | | |
| Trade receivables | - | 3,499.40 | 3,499.40 | - | - | - |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| Particulars | Carrying value | | | Fair value measurement using | | |
|---|-----------------|------------------|------------------|------------------------------|---------|---------|
| | FVTPL | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Other receivables | - | 144.00 | 144.00 | - | - | - |
| Inventories | 5,056.62 | - | 5,056.62 | 5,056.62 | - | - |
| Loans | - | 10,629.75 | 10,629.75 | - | - | - |
| Investments | 2,537.84 | 15.44 | 2,553.28 | 2,537.84 | - | - |
| Investment in associates accounted by using equity method | - | 6,496.60 | 6,496.60 | - | - | - |
| Other financial assets | - | 2,227.51 | 2,227.51 | - | - | - |
| Total | 7,594.46 | 25,989.82 | 33,584.28 | 7,594.46 | - | - |
| Financial liabilities | | | | | | |
| Payables | | | | | | |
| Trade payables | - | 611.64 | 611.64 | - | - | - |
| Other payables | - | 1,565.37 | 1,565.37 | - | - | - |
| Borrowings other than debt securities | - | 2,407.23 | 2,407.23 | - | - | - |
| Lease liabilities | - | 238.70 | 238.70 | - | - | - |
| Other financial liabilities | - | 2,480.84 | 2,480.84 | - | - | - |
| Total | - | 7,303.78 | 7,303.78 | - | - | - |

ii). As at March 31, 2022

| Particulars | Carrying value | | | Fair value measurement using | | |
|---|-----------------|------------------|------------------|------------------------------|---------|---------|
| | FVTPL | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | 2,148.30 | 2,148.30 | - | - | - |
| Bank balances other than above | - | 1,085.43 | 1,085.43 | - | - | - |
| Receivables | | | | | | |
| Trade receivables | - | 3,751.54 | 3,751.54 | - | - | - |
| Other receivables | - | 132.28 | 132.28 | - | - | - |
| Inventories | 748.55 | - | 748.55 | 748.55 | - | - |
| Loans | - | 7,211.41 | 7,211.41 | - | - | - |
| Investments | 918.69 | 18.64 | 937.33 | 918.69 | - | - |
| Investment in associates accounted by using equity method | - | 8,513.68 | 8,513.68 | - | - | - |
| Other financial assets | - | 1,845.85 | 1,845.85 | - | - | - |
| Total | 1,667.24 | 24,707.13 | 26,374.37 | 1,667.24 | - | - |
| Financial liabilities | | | | | | |
| Payables | | | | | | |
| Trade payables | - | 1,126.75 | 1,126.75 | - | - | - |
| Other payables | - | 1,847.83 | 1,847.83 | - | - | - |
| Borrowings other than debt securities | - | 1,244.96 | 1,244.96 | - | - | - |
| Other financial liabilities | - | 3,286.82 | 3,286.82 | - | - | - |
| Total | - | 7,506.36 | 7,506.36 | - | - | - |

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.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

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.

55 Fair value measurement and financial instruments

b) Financial risk management (continued)

(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, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | 1,975.32 | 2,148.30 |
| Bank balances other than above | 1,001.80 | 1,085.43 |
| Trade receivables | 3,499.40 | 3,751.54 |
| Other receivables | 144.00 | 132.28 |
| Inventories | 5,056.62 | 748.55 |
| Loans | 10,629.75 | 7,211.41 |
| Investments | 9,049.88 | 9,451.01 |
| Other financial assets | 2,227.51 | 1,845.85 |

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.

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.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

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, 2023 | For the year ended March 31, 2022 |
|----------------------------|--------------------------------------|--------------------------------------|
| Balance at the beginning | 288.59 | 262.30 |
| Impairment loss recognised | (78.31) | 26.29 |
| Balance at the end | 210.28 | 288.59 |

55 Fair value measurement and financial instruments

b). Financial risk management (continued)

(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. 2977.12 lac as at March 31, 2023 (March 31, 2022: Rs. 3233.73 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, 2023 | Carrying amount | Contractual cash flows | | |
|---------------------------------------|-----------------|------------------------|--------------------|-----------------|
| | | Less than one year | More than one year | Total |
| Trade payables | 611.64 | 611.64 | - | 611.64 |
| Other payables | 1,565.37 | 1,565.37 | - | 1,565.37 |
| Borrowings other than debt securities | 2,407.23 | 315.35 | 2,091.88 | 2,407.23 |
| Lease liabilities | 238.70 | 88.79 | 149.91 | 238.70 |
| Other financial liabilities | 2,480.84 | 2,355.36 | 125.48 | 2,480.84 |
| Total | 7,303.78 | 4,936.50 | 2,367.28 | 7,303.78 |

| As at March 31, 2022 | Carrying amount | Contractual cash flows | | |
|---------------------------------------|-----------------|------------------------|--------------------|-----------------|
| | | Less than one year | More than one year | Total |
| Trade payables | 1,126.75 | 1,126.75 | - | 1,126.75 |
| Other payables | 1,847.83 | 1,847.83 | - | 1,847.83 |
| Borrowings other than debt securities | 1,244.96 | 782.39 | 462.57 | 1,244.96 |
| Lease liabilities | 522.75 | 107.24 | 415.51 | 522.75 |
| Other financial liabilities | 3,286.82 | 231.37 | 3,055.45 | 3,286.82 |
| Total | 8,029.11 | 3,864.21 | 3,933.53 | 8,029.11 |

The above amounts reflects the contractual undiscounted cash flows which may differ from the carrying value of the liabilities at the reporting date.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

55 Fair value measurement and financial instruments

b). Financial risk management (continued)

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.

56 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, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Borrowings | 2,407.23 | 1,244.96 |
| Less: Cash and cash equivalents | (1,975.32) | (2,148.30) |
| Adjusted net debt (A) | 431.91 | (903.34) |
| Total equity (B) | 25,418.86 | 18,133.13 |
| Adjusted net debt to adjusted equity ratio (A/B) | 5885.22% | NA |

57 Disclosures required pursuant to IND AS 102 - Share Based Payment

Under Employee Stock Option Scheme (ESOP) of the Company, share options of the Company are granted to senior executives .Vested period ranges from 1 to 3 years . Each option carries the right to the holder to apply for one equity share of the Company at exercise price . There has been no variation in the terms of options during the years. The share options are valued at the fair value of the options as on the date of grant using Black Scholes pricing model. There is no cash settlement alternative.

The Almondz Global Securities Employees Stock Option Scheme 2007 ("ESOS" or "Scheme") as approved by the Shareholders of the Company, the Company is entitled, as on the date of this meeting, to grant an aggregate of 1,50,00,000 or 50% of paid-up share capital of the Company, whichever is lower. The Company has granted a total of 10570000 options out of which 49,11,800 options got lapsed, a portion of which had been re-issued by the Company. Further, till date, an aggregate of 563200 options were exercised by the concerned employees of the Company.

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. Under Series G, 5,00,000 Options got 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.

The compensation committee in its meeting held on 14th March 2022 has allotted 12,10,000 options under series "I" to eligible employees of the company/its subsidiary company. Under Series I, 15,000 options got lapsed.

A compensation committee comprising independent members of the Board of Directors administers the scheme.

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

ESOPs to directors of the Company

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Options outstanding at beginning of the period | 500,000 | 500,000 |
| Add: New options granted during the period | - | - |
| Less: Options exercised | - | - |
| Less: Options lapsed | - | - |
| Options outstanding at end of the period | 500,000 | 500,000 |
| Options exercisable at end of the period | 500,000 | 500,000 |
| ESOPs to persons other than directors of the Company | | |
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| Options outstanding at beginning of the period | 4,910,000 | 3,700,000 |
| Add: New options granted during the period | - | 1,210,000 |
| Less: Options exercised | - | - |
| Less: Options lapsed | (15,000) | - |
| Options outstanding at end of the period | 4,895,000 | 4,910,000 |
| Options exercisable at end of the period | 4,895,000 | 4,910,000 |

No option were exercised during last 3 years

No options were exercised during the year ended March 31, 2023.

Details of options outstanding at the year end with the range of exercise price and weighted average remaining contractual life:

| Series | Employees entitled | No. of options | Vesting / Exercise conditions | Weighted average remaining contractual life of options (in years) |
|----------|--------------------|----------------|---|---|
| Series G | 9 | 3,900,000 | Vesting of options would be subject to continued employment with the Company and/or its holding/ subsidiary company . The vesting period is 3 years from the date of option granted and employee can exercise the option for 5 years period from the date vesting. | 2.50 |
| Series H | 1 | 300,000 | Vesting of options would be subject to continued employment with the Company and/or its holding/ subsidiary company . The vesting period is 3 years from the date of option granted and employee can exercise the option for 5 years period from the date vesting. | 6.50 |
| Series I | 15 | 1,210,000 | Vesting of options would be subject to continued employment with the Company and/or its holding/ subsidiary company . The vesting of option will be after 2 years from the date of grant and shall be spreaded in 3 consecutive years in equal prortion. The excercise period of option is 3 years from the date of its vesting | 4.00 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

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 lapsed/ cancelled and exercisable | Options unvested | Options exercised | Options vested and exercisable | Options outstanding |
|---------------|----------------|------------------|---|------------------|-------------------|--------------------------------|---------------------|
| 2nd Sep 2019 | 10.00 | 4,400,000 | 500,000 | - | - | 3,900,000 | 3,900,000 |
| 24th Sep 2020 | 10.00 | 300,000 | - | 300,000 | - | - | 300,000 |
| 14th Mar 2022 | 46.55 | 1,210,000 | 15,000 | 1,195,000 | - | - | 1,195,000 |
| Total | | 5,910,000 | 515,000 | 1,495,000 | - | 3,900,000 | 5,395,000 |

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.

| Series | Grant date | No. of options granted | Exercise Price | Weighted average fair value (in Rs.) |
|----------|---------------|------------------------|----------------|--------------------------------------|
| Series G | 2nd Sep 2019 | 3,900,000 | 10.00 | 4.50 |
| Series H | 24th Sep 2020 | 300,000 | 10.00 | 4.50 |
| Series I | 14th Mar 2022 | 1,210,000 | 46.55 | 52.09 |

Reconciliation of share option : -

| Particulars | Total No. of options granted | Series - G | Series - H | Series - I |
|--------------------------------------|------------------------------|------------|------------|------------|
| Outstanding at beginning of the year | 5,410,000 | 3,900,000 | 300,000 | 1,210,000 |
| Granted during the year | - | - | - | - |
| Expired/ cancelled during the year | 15,000 | - | - | 15,000 |
| Exercised during the year | - | - | - | - |
| Outstanding at end of the year | 5,395,000 | 3,900,000 | 300,000 | 1,195,000 |

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 | Series - I | Series - H | Series - G |
|--|------------|------------|------------|
| Dividend yield (%) | 21.36% | 56.10% | 56.10% |
| Expected future annualized Dividend yield (%) as per the management | 6.16% | 6.16% | 6.16% |
| G-Sec Yield | N.A | N.A | N.A |
| Exercise price (in Rs.) | 10 | 10 | 10 |
| Carrying amount of liability-included in employee benefit obligations (Rs. Lac) | 3.42 | 6.75 | 151.13 |

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, 2023 | Year ended March 31, 2022 |
|--|---------------------------|---------------------------|
| Employee option plan | 101.84 | 66.42 |
| Total employee share-based payment expense/(Income) | 101.84 | 66.42 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

58 Interest in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2023 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, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Almondz Global Securities Limited | June 28, 1994 | India | 58.45% | 56.95% | 41.55% | 43.05% |
| Almondz Infosystem Private Limited | December 31, 2012 | India | 100.00% | 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].

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

(b) Associate Companies

Set out below are the associates of the group as at March 31, 2023 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, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Willis Towers Watson India Brokers Private Limited (WTWPL) | December 06, 1996 | India | 26% (upto 7th April 2022) | 26.00% | - | 3,218.10 |
| Almondz Insolvency Resolutions Services Private Limited (AIRSPL) | October 4, 2017 | India | 33.00% | 33.00% | 119.52 | 121.19 |
| Premier Alcobev Private Limited (PAPL) | May 25, 2007 | India | 48.78% | 50% | 6,377.08 | 5,174.39 |
| Total equity accounted investments | | | | | 6,496.60 | 8,513.68 |

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 upto 7th April 2022.

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 48.78 % 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 April 7, 2022 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Summarised Balance Sheet | | | | | | |
| Total assets | 17,215.00 | 17,215.00 | 144.28 | 144.28 | 29,287.91 | 17,474.36 |
| Total liabilities | 8,671.00 | 8,671.00 | 66.78 | 66.78 | 15,528.10 | 7,179.76 |
| Net assets | 8,544.00 | 8,544.00 | 77.50 | 77.50 | 13,759.81 | 10,294.60 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

Summarised Statement of profit and loss

| | WTWPL | | AIRSPL | | PAPL | |
|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | For the period ended April 7, 2022 | For the year ended March 31, 2022 | For the year ended March 31, 2023 | For the year ended March 31, 2022 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue | 1,407.00 | 16,067.00 | - | - | 27,114.27 | 25,412.18 |
| Other income | 34.00 | 425.00 | 0.15 | 0.15 | 95.69 | 35.94 |
| Profit before tax | 1,250.00 | 7,129.00 | (5.34) | (5.34) | 3,165.47 | 3,908.15 |
| Tax expense | 356.00 | 1,881.00 | - | - | 701.12 | 992.69 |
| Profit for the year | 894.00 | 5,248.00 | (5.34) | -5.34 | 2,464.35 | 2,915.46 |
| Other comprehensive income | 1.00 | 20.00 | - | - | 1.20 | 6.24 |
| Total comprehensive income | 895.00 | 5,268.00 | (5.34) | (5.34) | 2,465.55 | 2,921.70 |

58 Interest in other entities

(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

| Summarised balance sheet | As at March 31, 2023 | As at March 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| Financial assets | 20,795.43 | 18,546.14 |
| Non-financial assets | 6,308.31 | 6,622.49 |
| Total assets | 27,103.74 | 25,168.63 |
| Financial liabilities | 5,475.04 | 6,283.13 |
| Non-financial liabilities | 621.23 | 556.53 |
| Total liabilities | 6,096.27 | 6,839.66 |
| Net assets | 21,007.47 | 18,328.97 |
| % of Non controlling interest | 41.55% | 43.05% |
| Accumulated NCI | 8,728.60 | 7,890.62 |
| Summarised statement of profit and loss | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue | 7,215.16 | 6,583.83 |
| Profit/(loss) for the year | 1,854.19 | 1,847.16 |
| Other comprehensive income | 32.50 | 56.19 |
| Total comprehensive income | 1,886.69 | 1,903.35 |
| Profit allocated to NCI (after any inter-group eliminations) | 827.72 | 837.98 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

59 Additional information under Schedule III on the entities included in the Consolidated financial statements

As at March 31, 2023

| 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 | As % of total comprehensive income | Amount |
| Parent | | | | | | | |
| Avonmore Capital & Management Services Limited | 25.59% | 11,305.13 | 17.54% | 2,025.04 | 162.55% | 17.82% | 2,060.84 |
| Subsidiaries | | | | | | | |
| Almondz Global Securities Limited | 47.56% | 21,008.37 | 13.67% | 1,577.74 | 8.41% | 13.66% | 1,579.59 |
| Anemone Holdings Private Limited | 23.13% | 10,217.21 | 73.02% | 8,429.93 | 0.00% | 72.88% | 8,429.93 |
| Avonmore Developers Private Limited | 1.90% | 841.07 | 0.00% | (0.15) | 0.00% | 0.00% | (0.15) |
| Almondz Infosystem Private Limited | 0.01% | 4.89 | (0.01)% | (0.93) | 0.00% | (0.01)% | (0.93) |
| Apricot Infosoft Private Limited | 0.40% | 174.83 | 0.03% | 3.59 | 0.00% | 0.03% | 3.59 |
| Glow Apparels Private Limited | 0.60% | 265.09 | (0.01)% | (0.70) | 0.00% | (0.01)% | a (0.70) |
| Red Solutions Private Limited | 0.68% | 298.70 | (0.95)% | (109.25) | 0.00% | (0.94)% | (109.25) |
| Consolidation Impact | 0.13% | 58.00 | (3.29)% | (380.00) | (70.96)% | (3.42)% | (395.95) |
| Total | 100.00% | 44,173.29 | 100.00% | 11,545.28 | 100.00% | 100.00% | 11,566.99 |

As at March 31, 2022

| 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 | As % of total comprehensive income | Amount |
| Parent | | | | | | | |
| Avonmore Capital & Management Services Limited | 27.78% | 10,389.68 | 4.82% | 156.47 | 9.38% | 4.85% | 158.31 |
| Subsidiaries | | | | | | | |
| Almondz Global Securities Limited | 48.98% | 18,321.73 | 57.10% | 1,854.19 | 166.48% | 57.75% | 1,886.69 |
| Anemone Holdings Private Limited | 13.26% | 4,958.94 | 26.84% | 871.69 | 0.00% | 26.68% | 871.69 |
| Avonmore Developers Private Limited | 2.25% | 841.22 | (0.01)% | (0.17) | 0.00% | (0.01)% | (0.17) |
| Almondz Infosystem Private Limited | 0.02% | 5.81 | 0.01% | 0.17 | 0.00% | 0.01% | 0.17 |
| Apricot Infosoft Private Limited | 0.46% | 171.25 | (3.72)% | (120.91) | 0.00% | (3.70)% | (120.91) |
| Glow Apparels Private Limited | 0.71% | 265.61 | (0.03)% | (1.05) | 0.00% | (0.03)% | (1.05) |
| Red Solutions Private Limited | 1.09% | 408.01 | (2.82)% | (91.54) | 0.00% | (2.80)% | (91.54) |
| Consolidation Impact | 5.46% | 2,044.63 | 17.82% | 578.57 | (75.87)% | 17.26% | 563.76 |
| Total | 100.00% | 37,406.88 | 100.00% | 3,247.42 | 100.00% | 100.00% | 3,266.94 |

60 Income taxes

| A. Amounts recognised in profit or loss | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Income tax expense | | |
| Income tax | 3,189.95 | 519.91 |
| Income tax for earlier years | (15.97) | (9.84) |
| MAT credit/(entitlement) | 13.25 | - |
| | 3,187.23 | 510.07 |
| Deferred tax expense | | |
| Change in recognised temporary differences | (1.20) | (8.10) |
| | (1.20) | (8.10) |
| Total Tax Expense | 3,186.03 | 501.97 |

B. Amounts recognised in Other Comprehensive Income

| | March 31, 2023 | | | March 31, 2022 | | |
|---|----------------|-----------------------|--------------|----------------|-----------------------|--------------|
| | Before tax | Tax (expense)/ income | Net of tax | Before tax | Tax (expense)/ income | Net of tax |
| Remeasurements of defined benefit obligations / Changes in fair value gain / (loss) of FVOCI equity instruments | 10.72 | 26.96 | 37.68 | 47.58 | (13.29) | 34.29 |
| | 10.72 | 26.96 | 37.68 | 47.58 | (13.29) | 34.29 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| C. Reconciliation of effective tax rate | March 31, 2023 | | March 31, 2022 | |
|---|----------------|-----------------|----------------|-----------------|
| | Rate | Amount | Rate | Amount |
| Profit before tax | | 15,371.84 | | 4,547.00 |
| Tax using the Group's domestic tax rate (A) | 26.00% | 3,996.68 | 26.00% | 1,182.22 |
| Tax effect of: | | | | |
| MAT credit/Deferred Tax | | 12.05 | | (8.10) |
| Taxable/Non-taxable items | | (822.70) | | (672.15) |
| Total (B) | | (810.65) | | (680.25) |
| (A)+(B) | | 3,186.03 | | 501.97 |

| D. Movement in deferred tax balances | As at March 31, 2022 | Recognised in P&L | Recognised in OCI | As at March 31, 2023 |
|---|-------------------------|----------------------|----------------------|-------------------------|
| Deferred Tax Assets | | | | |
| Employee benefits | 56.92 | (24.71) | 26.96 | 59.17 |
| Property, plant and equipment and intangibles | 11.63 | (4.12) | - | 7.51 |
| Investment property | 73.90 | 19.95 | - | 93.85 |
| Trade receivables | 71.08 | (22.21) | - | 48.87 |
| Investments | 28.30 | 1.98 | - | 30.28 |
| Security deposit | - | - | - | - |
| Operating leases | 61.32 | (56.04) | - | 5.28 |
| Loans | - | - | - | - |
| Borrowings | - | - | - | - |
| Other financial liabilities | 62.40 | (62.40) | - | - |
| MAT | 166.38 | (35.42) | - | 130.97 |
| Other non-financial liabilities | - | - | - | - |
| Other consolidation adjustments | 32.96 | (22.31) | - | 10.65 |
| Sub- Total (a) | 564.89 | (205.26) | 26.96 | 386.58 |
| Deferred Tax Liabilities | | | | |
| Inventory | - | - | - | - |
| Sub- Total (b) | - | - | - | - |
| Net Deferred Tax Asset (a) - (b) | 564.89 | (205.26) | 26.96 | 386.58 |

| | As at March 31, 2021 | Recognised in P&L | Recognised in OCI | As at March 31, 2022 |
|---|-------------------------|----------------------|----------------------|-------------------------|
| Deferred Tax Assets | | | | |
| Employee benefits | 62.93 | 2.39 | (8.40) | 56.92 |
| Property, plant and equipment and intangibles | 50.80 | (39.17) | - | 11.63 |
| Investment property | 63.18 | 10.72 | - | 73.90 |
| Trade receivables | 70.16 | 0.92 | - | 71.08 |
| Investments | 43.45 | (15.15) | - | 28.30 |
| Security deposit | - | - | - | - |
| Operating leases | 38.97 | 22.35 | - | 61.32 |
| Loans | - | - | - | - |
| Borrowings | - | - | - | - |
| Other financial liabilities | 62.40 | - | - | 62.40 |
| MAT | 166.38 | - | - | 166.38 |
| Other non-financial liabilities | - | - | - | - |
| Other consolidation adjustments | 25.72 | 7.24 | - | 32.96 |
| Sub- Total (a) | 583.99 | (10.70) | (8.40) | 564.89 |

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Rupees in Lac , unless otherwise stated)

| | As at March 31, 2021 | Recognised in P&L | Recognised in OCI | As at March 31, 2022 |
|---|-------------------------|----------------------|----------------------|-------------------------|
| Deferred Tax Liabilities | - | - | - | - |
| Property, plant and equipment and intangibles | - | - | - | - |
| Security deposit | - | - | - | - |
| Inventory | - | - | - | - |
| Sub- Total (b) | - | - | - | - |

| | | | | | |
|-----------|---|---------------|----------------|---------------|---------------|
| 61 | Net Deferred Tax Asset (a) - (b) | 583.99 | (10.70) | (8.40) | 564.89 |
|-----------|---|---------------|----------------|---------------|---------------|

- 62** The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.
- 63** There are no borrowing costs that have been capitalised during the year ended March 31, 2023 and March 31, 2022.
- 64** The Group does not have any financing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.
- 65** There are no borrowing costs that have been capitalised during the year ended March 31, 2023 and March 31, 2022.
- 66** There have been no events after the reporting date that require adjustment/disclosure in these financial statements.
- 67** Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability. The accompanying notes form an integral part of these financial statements.
Per our report of even date.

Per our report of even date.
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 - 23527863BGXHQB7309

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Govind Prasad Agrawal
Director
DIN: 00008429

Place: New Delhi
Date: 30 May 2023

Sonal
Company Secretary
ACS: A57027

Shakti Singh
Chief Financial Officer
PAN: BKMP56127D

Avonmore Capital & Management Services Limited

Corporate Identity Number (CIN): L67190DL1991PLC045857

Regd. Office: F-33/3, Okhla Industrial Area, Phase-II, New Delhi - 110020

Tel: 011-43500700; Fax: 011-43500735

Website: www.avonmorecapital.in email id: secretarial@almondz.com

NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Members of **AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED** (the "Company") will be held on **Friday, the 29th day of September, 2023, at 01.00 P.M (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement (both Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2023 together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mrs. Ashu Gupta, 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.

SPECIAL BUSINESS:

3. **To ratify and approve the increase in the managerial remuneration limit payable to Mr. Ashok Kumar Gupta, Managing Director of the Company, for the remaining period of his tennure.**

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, if any, permissions and sanctions, consent of the members be and is hereby accorded for ratification for payment of the increased Remuneration arising out of the exercise of some of the Stock Options granted to and vested unto him as detailed in the Explanatory Statement to the Managing Director of the Company, Mr. Ashok Kumar Gupta, (DIN:02590928) for the financial year 2022-23."

"RESOLVED FURTHER THAT the Directors of the Company and Company Secretary be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

4. **To consider and approve the material modification in respect of Material Related Party Transactions of the Company**

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and the Company's Policy on Materiality of Related Party Transactions, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company in respect of the material modifications of contract(s)/ arrangement(s)/ transaction(s) entered/to be entered into by the Company for the following transaction(s) related to purchase, sale, loans, interest, remuneration / professional charges, rentals, reimbursement of expenses etc. with the related parties for a period of five years from the conclusion of the 31st AGM till conclusion of 36th AGM as mentioned in the explanatory statement forming part of this notice, being 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, in connection with the transaction(s) and on the terms mentioned therein."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any Committee of the Board of Directors for operations or any officer/ executive/ representative and/ or any other person so authorized by the Board or the Committee be and are hereby authorized to negotiate and finalize the terms and conditions of the above contract(s)/ arrangement(s)/ transaction(s) with related parties within the aforesaid limits and to do all such acts."

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

Sd/-

Sonal

Company Secretary & Compliance Officer

Date: August 14, 2023

Place: New Delhi

Registered Office:

F-33/3, Okhla Industrial Area, Phase-II,
New Delhi – 110020, India

CIN: L67190DL1991PLC045857

Website: www.avonmorecapital.in

E-mail: secretarial@almondz.com

Tel.: +91 43 500700 Fax: +91 43500735

NOTES:

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 31st Annual General Meeting (AGM) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.
Further, Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and MCA Circulars, the **31st AGM** of the Company is being held through VC/OAVM on **Friday, September 29, 2023 at 01:00 p.m.** (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at **F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020** which shall be the deemed venue of the AGM.
2. The relative Explanatory Statement pursuant to Section 102 of the Act, in regard to the business as set out in Item Nos. 3 and 4 above and the relevant details of the Directors seeking re-appointment under Item Nos. 2 above, as required by Regulation 36(3) of the Listing Regulations and as required under Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are annexed hereto.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail to csnps11@gmail.com with a copy marked to evoting@cdsl.co.in and secretarial@almondz.com.
5. In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. **PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM**
The Members can join the AGM through VC/OAVM 30 minutes before and within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on Central Depository Services Limited's (CDSL) e-Voting website at www.evotingindia.com. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.
8. **Dispatch of Annual Report through E-mail**
In terms of the MCA Circulars and the relevant SEBI Circulars, the Company is sending this AGM Notice along with Annual Report for FY23 in electronic form only to those Members whose email IDs are registered with the Company/ Depositories. The Company shall send the physical copy of the Annual Report for FY23 only to those Members who specifically request for the same at secretarial@almondz.com in mentioning their Folio No/DP ID and Client ID. The Notice convening the AGM and the Annual Report for FY23 have been uploaded on the website of the Company at <https://www.avonmorecapital.in> and may also be accessed from the relevant section on the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of CDSL at www.evotingindia.com
9. **Book Closure Period**
The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 23, 2023 to Friday, September 29, 2023** (both days inclusive) for the purpose of AGM for FY23.
10. In terms of Regulation 40(1) of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at <https://www.avonmorecapital.in/share-holders> and on the website of the Company's RTA at <http://www.beetalfinancial.in/BEETALFINANCIAL/downloadf.aspx>. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transmission and transposition shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation,

Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

11. Nomination Facility

As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form ISR-3 or form SH-14, as the case may be. The said forms can be downloaded from the Company's website <https://www.avonmorecapital.in/share-holders>. Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.

12. Transfer of Unclaimed or Unpaid amounts to the Investor Education and Protection Fund (IEPF)

Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in e-Form/web form no. IEPF-5 available on www.iepf.gov.in and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claims.

13. Procedure for inspection of documents

Members desiring inspection of statutory registers during the AGM or who wish to inspect the relevant documents referred to in the Notice, can send their request on email to secretarial@almondz.com.

14. Norms for furnishing of PAN, KYC, Bank details and Nomination:

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/ CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/ MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. **The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA.**

The securities in the frozen folios shall be eligible:

- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;

- To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 are available on our website <https://www.avonmorecapital.in/share-holders>. **In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.**

Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.

15. 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) Saturday, September 23, 2023, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers at 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 **Tuesday, September 19, 2023 (9:00 A.M. IST) to Saturday, September 23, 2023 (5:00 P.M. IST)** at 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 **Tuesday, September 19, 2023 (9:00 A.M. IST) to Saturday, September 23, 2023 (5:00 P.M. IST)** through e-mail at secretarial@almondz.com and the same will be suitably replied by the Company.

16. Process and manner for Members opting for e-Voting is as under:

- i. In compliance with the provisions of Section 108 and other applicable provisions of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the Listing Regulations and in terms of SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

- entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. The Company has engaged the services of CDSL for facilitating e-Voting to enable the Members to cast their votes electronically as well as for e-Voting during the AGM. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it/they have been passed at the AGM.
- II. Members are provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM.
 - III. Members who have already cast their vote by remote e-Voting prior to the AGM, will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already cast the vote through remote e-Voting.
 - IV. Members of the Company holding shares either in physical form or electronic form, as on the cut-off date of **Friday, September 22, 2023**, may cast their vote by remote e-Voting. The remote e-Voting period commences on **Tuesday, September 26, 2023 (09:00 A.M. IST)** and will end on **Thursday, September 28, 2023 (5:00 P.M. IST)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Friday, September 22, 2023**.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 and 4 of the accompanying Notice dated September 29, 2023

Item No.3:

Mr. Ashok Kumar Gupta, Managing Director of the Company, since 2011. His latest re-appointment was for a period of 5 years w.e.f. 1st December, 2021. Shareholder of the Company in its meeting held on 29th September 2022 had approved for payment of remuneration for his tenure ending on 30 December, 2026.

Further the Compensation Committee of Almondz Global Securities Limited (Subsidiary Company) at its meeting held on 26th August 2019 approved and granted some of Stock Option as per the subsidiary Company's ESOP Scheme. Consequent to such grants certain options were vested in Mr. Ashok Kumar Gupta.

Further, as per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V thereof and the Rules made thereunder, payment of managerial remuneration to the Managing Director in respect of any financial year in case of inadequate profit requires approval of shareholders.

Pursuant to the approval of the Compensation Committee of Almondz Global Securities Limited ("Subsidiary Company"), Mr. Ashok Kumar Gupta, Managing Director, has been granted Stock

Options ("Options") under the "Almondz Global Employees ESOP Scheme 2007" ("ESOP 2007").

The perquisite value of the Options, exercised by Mr. Ashok Kumar Gupta, during any financial year forms part of his total remuneration. The perquisite value is the differential value between the fair market price of shares on the date of exercise of Options and the exercise price. The perquisite value is directly linked to the fair market value of the shares of the Subsidiary Company on the date of exercise of Options.

During the financial year 2022-23, as per vesting schedule under ESOP Scheme 2007, certain number of options were exercised and allotted to him. Taking into account the perquisite value which gets added to his remuneration, the total managerial remuneration payable to him exceeds the limits approved by the shareholders. This increase is purely due to inclusion of the perquisite value of options exercised by him.

He is further entitled to exercise balance options in future during the remaining period of his tenure ending on 30th December, 2026. No cash pay-out has been made to him. His cash remuneration excluding the perquisite value arising out of ESOPs is well within the prescribed limits under section 197 of the Companies Act, 2013 read with Schedule V and approved by the shareholders.

Further on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on August 14, 2023, approved and accordingly recommends to the members an increase in the managerial remuneration limit in thereby seeking Members consent to ratify the excess amount of Rs. 25.35 Lakhs paid to Mr. Ashok Kumar Gupta during the year 2022-23. This has not entailed any additional cash outflow for the Subsidiary Company but merely an addition of perquisite value to his total remuneration.

The Board of Directors recommends the proposal and the resolution for approval of members of the Company, as set out at Item No.3 of the Notice.

Except Mr. Ashok Kumar Gupta and his relatives, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution. Mr. Ashok Kumar Gupta is not related to any other Director or Key Managerial Personnel of the Company or relatives of the Directors or Key Managerial Personnel.

Item no.4:

Pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), All material related party transactions and subsequent material modifications shall require the prior approval of the Shareholders of the Company through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The consent of the Members is sought to by way of Ordinary Resolutions for material modification of all the material related party transactions and also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) for carrying out and/or continuing all existing contracts/ arrangements / agreements / transactions and to enter into

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new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) of the following nature with the related parties as

mentioned in Annexure appearing hereinafter for a period of five years from the conclusion of the 31st AGM till conclusion of 36th AGM for an amount mentioned hereunder:

| Name of the Related Party | Nature, material terms, monetary value and particulars of the contract or arrangement | Other details | Maximum Amount per Annum per related party (in Crores) |
|---|---|--|--|
| Subsidiaries / Step Down subsidiary/ Joint Venture / Associates other than its wholly owned subsidiary/ies List of such existing Related Parties is given in Annexure | Lending/borrowing & interest thereon, providing and receiving corporate guarantees and providing securities for existing/new credit facility (ies) whether availed by the company or it's group companies, other than its wholly owned subsidiary/ies | The Company is a listed NBFC Company as NON Deposit taking NBFC and is governed by SEBI as well as RBI Rules and Regulations. The other businesses of the Company within the financial services spectrum are carried on by the various subsidiaries/step-down subsidiaries/ Associates, which are inter alia respectively engaged in the business of Stock broking, IT Services, Wealth Management, non-banking financial services, etc. The businesses of the entities in the Group are by their very nature cyclical and hence the capital requirements vary from time to time over periods of time. As the parent company, it is inherent and therefore becomes necessary and incumbent and in the ordinary course, to support the Group entities by periodic capital infusions through customary modes as are prevalent in the industry, towards the attainment of their growth and expansion endeavors and optimal use of capital, in the larger beneficial interest of the stakeholders of the Company. Necessarily, from a strategic perspective, it entails inter-alia lending/borrowing, providing corporate guarantees and securities for existing/new credit facility (ies). The Company may also be required to enter into various contracts or arrangements with the Group entities as may be necessitated from to time, towards this end. | 800 |
| Subsidiaries / Step Down subsidiary/ Joint Venture / Associates other than its wholly owned subsidiary/ies List of such existing Related Parties is given in Annexure | Securities are sold/purchased at the rates available at FIMDA/exchange/ market. | The Company regularly sale purchase in securities, bonds etc. through its DP, Almondz Global Securities Limited. This is also a subsidiary company of ACMS. Further, AGSL is a registered primary dealer and transacts in SLR securities such as government securities, treasury bill and/or SD Llike any other primary dealer. Like any other customer, the Company provide this services to its subsidiary and other related parties. | 800 |
| Subsidiaries / Step Down subsidiary/ Joint Venture / Associates incorporated/ to be incorporated, From time to time as per regulatory requirement / strategic business decision/Directors and their relatives. List of existing Subsidiaries is given in Annexure | Demat, Brokerage and processing charges. | The Subsidiary Company, Almondz Global Securities Ltd (AGSL) is stock broker and a depository participant and has also license for sale and purchase of securities in the wholesale debt market. The AGSL receives service charge in the form of brokerage, demat and processing charges | 2 |
| Subsidiaries / Step Down subsidiary/ Joint Venture / Associates incorporated/ to be incorporated, From time to time as per regulatory requirement / strategic business decision. List of existing Subsidiaries is given in Annexure | Recoveries/payment of expenses | Sometime company making expenses on behalf of group companies and vice versa, which the company recovers/ pays on actual basis. | 5 |

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| Name of the Related Party | Nature, material terms, monetary value and particulars of the contract or arrangement | Other details | Maximum Amount per Annum per related party (in Crores) |
|---------------------------|---|--|--|
| Directors, KMPs | Remuneration and sitting fees of Directors and KMPs | The Company pays remuneration to Directors in the form of salary and sitting fees. The Company also pays remuneration in the form of salary, perquisite, ESOP to KMPs. These related party transaction are as per allowed limits and regulatory approvals. | 5 |

List of Relatives:

1. Innovative Money Matters Pvt. Ltd.
2. Almondz Global Securities Ltd.
4. Almondz Finanz Ltd.
5. Almondz Global Infra Consultant Ltd.
6. North Square Projects Pvt. Ltd.
7. Almondz Financial Services Ltd.
8. Almondz Commodities Pvt Ltd.
9. Skiffle Healthcare Services Ltd.
10. Almondz Insolvency Resolutions Pvt Ltd
11. Premier Alcobev Pvt Ltd.
12. Directors, KMPs and their relatives.

The Board recommends the Resolution at Item No. 4 of the Notice for approval by the members of the Company as an ordinary Resolution.

Except the Promoter Directors and their relatives (to the extent of their directorship / shareholding interest in the Company and / or other promoter entities), no other Director or KMP is concerned or interested, financially or otherwise, in passing of this resolution.

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

Sonal
Company Secretary & Compliance Officer

Date: August 14, 2023

Place: New Delhi

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/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM 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/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic 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 EGM/AGM will be provided by CDSL.
- III. The Members can join the EGM/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 EGM/AGM through VC/OAVM will be made available to atleast 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 EGM/AGM without restriction on account of first come first served basis.
- IV. The attendance of the Members attending the AGM/EGM 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/EGM. 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/EGM 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/EGM has been uploaded on the website of the Company at www.avonmorecapital.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting

facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

- VII. The AGM/EGM 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 E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Tuesday, September 26, 2023 (09:00 A.M. IST) and will end on Thursday, September 28, 2023 (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 (record date) of i.e. **Friday, September 22, 2023** 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.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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(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 CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> 1) Users who have opted for CDSL 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 users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | <p>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 website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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 CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000 |

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website 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 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:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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. |

- (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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.

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- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for 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 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/EGM.
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. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast Five days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@almondz.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Five days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@almondz.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may 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/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

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 update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

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 or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE- APPOINTMENT AT THE ANNUAL GENERAL MEETING, SCHEDULED TO BE HELD ON SEPTEMBER 29, 2023

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Standard 1.2.5 of SS-2, Secretarial Standard on General Meetings:

| | |
|---|---|
| Name of the Director | Ashu Gupta |
| Date of Birth | 23/12/1969 |
| PAN No. | AGYPG2196D |
| DIN No. | 00007836 |
| Relationship with Directors | None |
| Brief resume & Expertise in specific functional area | Immense knowledge and experience of over 2 decades in almost every facet of Corporate Secretarial, Legal Advisory and Consulting Profession. |
| Qualification | B.Com, FCS, LLB |
| Designation | Non-Executive-Non Independent women Director. |
| Terms and condition of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person if applicable | <p>Terms & Condition of Appointment: As per resolution mentioned in Item no. 2 of this Notice.</p> <p>Details of remuneration: 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. 25,000/- for FY 2023-24: Sitting Fees: Rs.1,15,000 /- Last Drawn.</p> |
| Date of first appointment on the Board | 20/03/2015 |
| Directorship (Excluding alternate directorship, directorship in foreign companies and companies under section 8 of the Companies Act, 2013) | Nil |
| Chairman/ Member of the Committee of the Board of Directors as on March 31, 2023 | Nil |
| Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2023 | Nil |
| a) Audit Committee | Nil |
| b) Shareholders' Grievance Committee | Nil |
| c) Nomination and Remuneration Committee | Nil |
| Number of Board meetings attended during the Financial Year 2022-23 | Five |
| Number of shares held in the Company as on March 31, 2023 | Nil |

Avonmore Capital & Management Services Ltd.

Regd. Office: F-33/3, Phase-II, Okhla Industrial Area, New Delhi-110 020 Tel : 011-43500700