

**Almondz Global Securities Ltd.**

**REPORT OF THE AUDIT COMMITTEE OF ALMONDZ GLOBAL SECURITIES LIMITED APPROVING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST ALMONDZ GLOBAL SECURITIES LIMITED ("DEMERGED COMPANY" OR "TRANSFEROR COMPANY NO. 1), ALMONDZ BROKING SERVICES LIMITED ("RESULTING COMPANY"), ALMONDZ FINANZ LIMITED ("TRANSFEROR COMPANY NO. 2"), APRICOT INFOSOFT PRIVATE LIMITED ("TRANSFEROR COMPANY NO. 3"), AVONMORE DEVELOPER PRIVATE LIMITED ("TRANSFEROR COMPANY NO. 4"), ANEMONE HOLDING PRIVATE LIMITED ("TRANSFEROR COMPANY NO. 5"), ALMONDZ INSOLVENCY RESOLUTIONS SERVICES PRIVATE LIMITED ("TRANSFEROR COMPANY NO. 6) AND AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED ("TRANSFeree COMPANY"), AND THEIR RESPECTIVE SHAREHOLDERS ISSUED AT THE MEETING OF THE AUDIT COMMITTEE OF THE COMPANY HELD ON WEDNESDAY, 9<sup>TH</sup> DAY OF APRIL, 2025 AT 01.00 P.M THROUGH VIDEO CONFERENCING**

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The following Members of the Audit Committee were Present:

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| 1. Mr. Ajay Kumar           | - Independent Director & Chairman of the Committee |
| 2. Mr. Rajkumar Khanna      | - Independent Director & Member of the Committee   |
| 3. Mr. Satish Chandra Sinha | - Independent Director & Member of the Committee   |

**I. Background**

(a) Based on the recommendation of the Independent Directors' Committee ["Committee of Independent Directors"] the Audit Committee at its Meeting held on Wednesday, April 9, 2025 had considered and made recommendations to the Board of Directors for the approval of the draft Composite Scheme of Arrangement involving:

- i. Demerger of Broking Business (hereinafter referred to as "**Demerged Undertaking**" and more particularly defined hereinafter) belonging to M/s Almondz Global Securities Limited (hereinafter referred to as "**Demerged Company**" or "**Transferor Company No. 1**") with and vesting into M/s Almondz Broking Services Limited (hereinafter referred to as "**Resulting Company**");
- ii. Amalgamation of M/s Almondz Global Securities Limited ("**Demerged Company**" or "**Transferor Company No. 1**") along with its Remaining Business (as defined hereinafter) with and into M/s Avonmore Capital & Management Services Limited (hereinafter referred to as "**Transferee Company**"); and
- iii. Amalgamation of Almondz Finanz Limited (hereinafter referred to as **Transferor Company No. 2**), Apricot Infsoft Private Limited (hereinafter referred to as **Transferor Company No. 3**), Avonmore Developer Private Limited (hereinafter referred to as **Transferor Company No. 4**), Anemone Holding Private Limited (hereinafter referred to as **Transferor Company No. 5**), and Almondz Insolvency Resolutions Services Private Limited ((hereinafter referred to as **Transferor Company No. 6**) with and into Avonmore Capital & Management Services Limited (hereinafter referred to as "**Transferee Company**").

under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act") read with relevant rules framed thereunder, as required by SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 "*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*" dated June 20, 2023 issued by the Securities and Exchange Board of India ("SEBI"), ("SEBI Scheme Circular"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Section 2(19AA) read with applicable provisions of the Income-tax Act, 1961 ("IT Act").

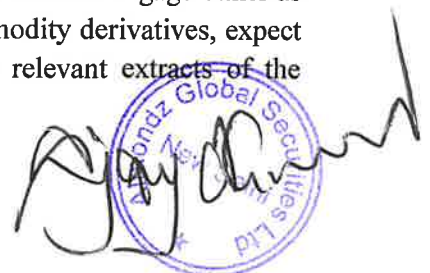
- (b) This Report of Audit Committee is made in order to comply with the provisions of the SEBI LODR, read with SEBI's Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.
- (c) The Scheme was placed before the Audit Committee to consider and recommend the same to the Board of Directors of the Company after taking into account the following necessary draft documents:
- Draft Scheme, duly initialled by the Chairman of the Audit Committee for the purpose of identification
  - Share Exchange Ratio Report dated March 30, 2025 prepared by Mr. Harish Chander Dhamija (Registration No. IBBI/RV/03/2018/10088), an IBBI Registered Valuer, providing the Share Exchange Ratio for the proposed Scheme;
  - Fairness Opinion dated March 31, 2025 prepared by 3Dimension Capital Services Limited, a SEBI Registered Category I Merchant Banker, providing the Fairness Opinion on the Share Exchange Ratio ("Fairness Opinion") as recommended by Mr. Harish Chander Dhamija (Registration No. IBBI/RV/03/2018/10088); and
  - Certificate dated April 9, 2025 issued by the Statutory Auditors of the Company i.e., Mohan Gupta & Co., Chartered Accountants, to the effect that the Scheme is in compliance with the applicable Accounting Standards as specified by the Central Government under Section 133 of the Companies Act, 2013;
- (d) The draft Scheme will be filed with BSE and NSE, pursuant to Regulation 37 of the Listing Regulations read with the SEBI Scheme Circular, for obtaining a no-objection letter from the stock exchanges.
- (e) The Scheme will be presented before the National Company Law Tribunal, Mumbai, under Sections 230 to 232 and other applicable provisions of the Act, the SEBI Scheme Circular and will also be in compliance with Section 2(19AA) and other relevant provisions of the Income tax Act, 1961.

## II. Need, Rationale and Synergies of business of the entities involved in the Scheme

The Audit Committee notes the rationale of the Draft Scheme, which is as follows:

### Circumstances necessitating the Scheme:

According to the Rule 8(1)(f) and Rule 8(3)(f) Securities Contract (Regulations) Rules, 1957 ("SCRR"), and the NSE Clarification Circular dated January 7, 2022 ("Circular"), members of a Stock Exchange except those provided under Rule 8(8) of SCRR, are not allowed to engage either as principal or employee, in any business, other than that of securities or commodity derivatives, except as a broker or agent, not involving any personal financial liability. The relevant extracts of the Circular are reproduced herein below:

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*"It is reiterated that Members are not permitted to engage in any business or activities or transactions, directly or indirectly, other than that of securities or commodity derivative except as a broker or agent not involving any personal financial liability."*

**Objects Sought to be achieved through the Scheme:**

In order to comply with the SCRR and the Circular, a segregation, of the non-broking business ("Non Broking Business") from the equity broking business ("Broking Business") pertaining to the Demerged Company/the Transferor Company No. 1 into a separate vertical. Pursuant to which, it is proposed to transfer and vest the Demerged Undertaking i.e., the Broking Business of the Demerged Company into the Resulting Company through this Scheme (as defined hereinafter) under Sections 230-232 of the Companies Act, 2013 ("2013 Act"), resulting into the Demerged Undertaking and assets being held and owned by the Resulting Company ("Demerger").

**The Demerger shall achieve the following benefits for the Companies:**

1. The transfer and vesting of the Demerged Undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of companies.
2. The Demerger shall allow the Demerged Company and Resulting Company to pursue independent growth strategy for its targeted client base.
3. Enhancing operational efficiency, ensuring synergies through pooling of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies; and
4. The Demerger shall assist in rationalizing the corporate structure.

**The proposed amalgamation is likely to result in the following advantages:**

1. The proposed amalgamation will overcome operational constraints including availability of workforce/employees, expertise and supervision, other common resources, etc.
2. The amalgamation would result in reduction in the multiplicity of legal and regulatory compliances, multiple record keeping and cost saving by way of reduction of overheads, administrative, managerial and other expenditure.
3. Reduction in the number of Non-Banking Financial companies within the Almondz Group through surrender of the NBFC license to the RBI as a result of the amalgamation.
4. The amalgamation would allow the Transferee Company to benefit from the complementary skills of the combined management team, which will in turn enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.
5. The amalgamation would result in improved competitive position of the Transferee Company as a combined entity

The Audit Committee is of the informed opinion that the proposed rationale of the Scheme will be beneficial for the Company and its Shareholders.

**III. Impact of the Scheme on the shareholders**

The proposed arrangement will result into simplification of group structure and enable the Shareholders of Avonmore Capital & Management Services Limited to directly hold shares in Almondz Global Securities Limited, which will lead to reduction of shareholding tiers. The said





amalgamation shall demonstrate the Promoter Group's direct commitment to and engagement with the Company.

Creation of a larger asset base by consolidation of the assets of Avonmore Capital & Management Services Limited and facilitation of access to better financial resources may result in creation of enhanced value for Shareholders and enable a focused strategy in the operations.

As a part of the Scheme, for amalgamation of Almondz Global Securities Limited, the issuance of Shares to the Shareholders of Almondz Global Securities Limited would be based on the Share Exchange Ratio Report issued by Mr. Harish Chander Dhamija (Registration No. IBBI/RV/03/2018/10088), Registered Valuer. As per the share exchange ratio report, Avonmore Capital & Management Services Limited would issue its Shares to the shareholders of Almondz Global Securities Limited.

The fairness opinion provided by 3Dimension Capital Services Limited, a SEBI Registered Category I Merchant Banker, confirms that the Share Exchange Ratio provide in the valuation report obtained from Mr. Harish Chander Dhamija (Registration No. IBBI/RV/03/2018/10088) is fair for the Company and its Shareholders.

Further, Pursuant to the Scheme, the share capital of Transferor Companies held by Avonmore Capital & Management Services Limited ("**Transferee Company**") shall stand cancelled without any further act or deed.

In view of the above, the Scheme will not adversely affect the rights or interests of any shareholder.

#### IV. Cost benefit analysis of the Scheme

After evaluation of the proposed Draft Scheme of Arrangement, the Audit Committee is of the view that implementation of the Scheme shall result in appropriate demerger of Broking Business of Almondz Global Securities Limited ("**Demerged Company**" or "**Transferor Company No. 1**"); merger of Almondz Global Securities Limited along with its Remaining Business with and into Avonmore Capital & Management Services Limited ("**Transferee Company**") and amalgamation of Almondz Finanz Limited (**Transferor Company No. 2**), Apricot Infosoft Private Limited (**Transferor Company No. 3**), Avonmore Developer Private Limited (**Transferor Company No. 4**), Anemone Holding Private Limited (**Transferor Company No. 5**), and Almondz Insolvency Resolutions Services Private Limited (**Transferor Company No. 6**) with and into Avonmore Capital & Management Services Limited ("**Transferee Company**"). with pooling and more efficient utilization of their resources, reduction in overheads and other administrative expenses, which far outweigh the transaction costs for the implementation of the Scheme.

#### V. Recommendation of the Audit Committee

The Audit Committee after due deliberations and due consideration of all the terms of:

- The Draft Scheme of Arrangement,
- Valuation Report dated March 30, 2025 issued by Mr. Harish Chander Dhamija (Registration No. IBBI/RV/03/2018/10088)
- Fairness Opinion Report dated March 31, 2025 issued by 3Dimension Capital Services Limited, a SEBI Registered Category I Merchant Banker,



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- Certificate dated April 9, 2025 obtained from Statutory Auditors of the Company i.e; Mohan Gupta & Co. Chartered Accountants regarding compliance of the accounting treatment contained in the draft scheme with the accounting standards specified under section 133 of the Companies Act, 2013

For Almondz Global Securities Limited

Ajay Kumar

Audit Committee Chairman

DIN: 01954049



Date: 09.04.2025

Place: New Delhi