

## Corporate Information

### Board of Directors

Mr. Govind Prasad Agrawal	–	Non-Executive Chairman
Mr. Ashok Kumar Gupta	–	Managing Director
Ms. Ashu Gupta	–	Non-Executive Director
Mr. Ajay Kumar	–	Non-Executive & Independent Director
Mr. Chand Krishna Tikku	–	Non-Executive & Independent Director
Mr. Shyam Sunder Lal Gupta	–	Non-Executive & Independent Director

### Company Secretary & Compliance Officer

Sagar Gupta

### Auditors

M/s. H. K. Chhabra & Co.,  
Chartered Accountants  
49, DDA, SFS, Pocket - 2 Sector-9,  
Dwarka, New Delhi - 110 077

### Bankers

HDFC Bank Ltd.  
AXIS Bank Ltd.  
Punjab National Bank

### Registrar & Share Transfer Agent

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 : 011-29961281/82  
Fax Number : 011-29961280/84  
E-mail : beetalrta@gmail.com  
Website: www.beetalfinancial.com

### Registered Office

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

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## Directors' Report

### To the Members,

The Board of Directors of your Company have pleasure in presenting the 24th Annual Report of Avonmore Capital & Management Services Limited alongwith the Audited statement of accounts and the Auditor's Report for the year ended 31st March, 2016.

### FINANCIAL RESULTS

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

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
Gross Income	190.00	461.00
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>139.42</b>	387.92
Less / (Add) : Prior Period Items expenses / (income)	—	0.04
Less : Interest	18.60	28.46
Less : Provision / (Reversal of Depreciation)	0.10	0.09
Less : Provisions for Taxes	8.37	16.93
<b>Net Profit after Tax</b>	<b>142.34</b>	342.40

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

Total revenues for the year ended March, 31, 2016 amounted to Rs. 190.00 Lakhs as compared to Rs. 461.00 Lakhs in the previous year. Profit before interest and depreciation for the financial year 2015-16 is amounted to Rs. 139.42 Lakhs as against Rs. 387.92 Lakhs in the last year. The Profit for the financial year 2015-16 is Rs. 142.34 Lakhs as against the profit of Rs. 342.40 Lakhs in the previous financial year.

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

### RBI GUIDELINES

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

### DIVIDEND

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

### RESERVES

Our Company has in accordance with the provisions of Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, created a Reserve Fund and during the year under review the Company has transferred an amount of Rs. 28,46,783/- (Rupees Twenty Eight Lakh Forty Six Thousand Seven Hundred Eighty Three Only) out of the profits of the year to the said Reserve Fund.

### SHARE CAPITAL

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

### PUBLIC DEPOSITS

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

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

As on March 31, 2016, your Company has the following entities as its subsidiaries and Associates :

- Almondz Infosystem Private Limited
- Almondz Global Securities Limited
- Express Infra Financial Consultancy Private Limited \* (till 17th August, 2015)
- Latitude 23 Communications Limited
- Red Solutions Private Limited
- Apricot Infosoft Private Limited
- Avonmore Developers Private Limited
- Anemone Holdings Private Limited
- Glow Apparels Private Limited
- Almondz Insurance Brokers Private Limited
- Shivsathi Niketan Limited
- Yug Infrastructures Private Limited (Associates)
- Carya Chemicals & Fertilizers Private Limited. (Associates).

During the period under report, Almondz Global Securities Limited and Red Solutions Private Limited have also become the subsidiaries of your Company w.e.f. 01.04.2015 and 17.07.2015 respectively.

During the period under report, following Companies ceased to be subsidiary of Avonmore Capital & Management Services Limited, due to following reasons :

- Express Infra Financial Consultancy Private Limited w.e.f. 17th August, 2015 as Avonmore Capital & Management Services Limited sold 100% shareholding of the said Company.

2. Almondz Reinsurance Brokers Private Limited (ARBPL) which was a subsidiary of Almondz Insurance Brokers Private Limited (AIBPL) has been merged with holding company AIBPL vide order dated 22 December 2015 of Honorable High Court of Delhi.

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 is attached with the Directors' Report of the Company for the financial year ended March 31, 2016.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to Regulation 34 of the Listing Regulations and Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements as per the Accounting Standards applicable to the Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Audited Consolidated Financial Statements along with the Auditors' Report are annexed with this Report. The said Financial Statements are also available on the website of the Company [www.avonmorecapital.in](http://www.avonmorecapital.in).

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

##### **DIRECTORS**

- ♦ Ms. Ashu Gupta has been regularized as the Director of the Company in the 23rd Annual General Meeting of the Company.
- ♦ In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Govind Prasad Agrawal is liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible have offered himself for his appointment. Your Board recommends his re-appointment.
- ♦ Pursuant to sub-section (6) of Section 149 of the Companies Act, 2013, a declaration by Independent Director(s), that they meet the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 is received and taken on record.

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

##### **KEY MANAGERIAL PERSONNEL**

- ♦ Mr. Ashok Kumar Gupta : Managing Director.
- ♦ Mr. Kunal Madaan ceased to be Company Secretary and Compliance Officer, with effect from February 29, 2016.
- ♦ Mr. Sagar Gupta : Company Secretary and Compliance Officer, with effect from May 02, 2016.

#### **LISTING**

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

#### **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, 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.

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

##### **STATUTORY AUDITORS**

The Auditors, M/s H. K. Chhabra & Co., Chartered Accountants were appointed as statutory auditors of the Company at the 23rd Annual General Meeting held on 29th September, 2015 to hold office till the conclusion of the 25th Annual General Meeting subject to ratification by the members at each Annual General Meeting. Accordingly, the appointment of M/s H. K. Chhabra & Co., Chartered Accountants is placed for ratification before the shareholders. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and rules made there under.

Further, the report of the Statutory Auditors alongwith notes to Schedules for the year ended 31st March, 2016 is enclosed to this report. The Auditors' Report is self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

##### **SECRETARIAL AUDITORS**

The Board had appointed M/s. C. B. Mishra & Associates, Company Secretaries in Wholetime Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16.

The Secretarial Audit report in the prescribed Form No MR-3, is annexed as **Annexure - 1**.

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

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

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

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

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

#### **PARTICULARS OF EMPLOYEES**

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

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

#### **CORPORATE GOVERNANCE**

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

#### **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

Ms. 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 Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

#### **MEETINGS OF THE BOARD**

During the year 6 (Six) meetings of the Board of Directors were held i.e. 29th May, 2015, 07th July, 2015, 14th August, 2015, 19th October, 2015, 09th November, 2015, and 13th February, 2016. For further details, please refer report on Corporate Governance forming part of Annual Report.

#### **AUDIT COMMITTEE**

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

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

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

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

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

#### **EXTRACTS OF ANNUAL RETURN**

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

#### **INFORMATION ON MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2016 and August 12, 2016, being the date of this report.

#### **RELATED PARTY TRANSACTIONS**

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

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

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

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

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

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

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

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

The provisions of Section 186 of the Act pertaining to investment and lending activities are not applicable to the Company since the Company is a Non Banking Financial Company (NBFC).

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

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

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

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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement), 2015 effective from 01.12.2015, the Board has carried out an annual performance evaluation of its own performance, the individual director's performance including Chairman and independent directors as well as an evaluation of the working of all Board Committees.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In compliance with the provisions of the Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirement), 2015, the Independent Directors held a meeting on May 28, 2016, and :

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

Necessary implementations of their suggestions have been initiated.

**HUMAN RESOURCES**

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

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with 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 Vigil Mechanism Policy has been uploaded on the website of the

Company at [www.avonmorecapital.in](http://www.avonmorecapital.in) under whistle blower Policy link.

**INTERNAL CONTROL SYSTEMS**

ACMS's internal control systems 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. ACMS's internal control system is commensurate with its size, nature and operations.

**NOMINATION AND REMUNERATION POLICY**

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

**INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014**

Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and con-fidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

The company did not receive any complaints to report in the Board's report.

**ACKNOWLEDGEMENT**

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

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

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

New Delhi  
12th August, 2016

# AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

## Form AOC - I

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

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A" : Subsidiaries

S. No.	1	2	3	4	5	6	7	8
Name of the subsidiary	Almondz Infosystem Private Limited	Latitude 23 Communication Limited	Red Solutions Private Limited	Almondz Global Securities Limited	Avonmore Developers Private Limited	Glow Apparels Private Limited	Apricot Infosoft Private Limited	Anemone Holdings Private Limited
Date since when Subsidiary was acquired	31.12.2012	31.03.2014	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	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	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	Not applicable since not a foreign company
Share capital	5,00,000	18,49,000	1,31,45,000	15,53,09,802	8,50,00,000	2,00,00,000	3,00,00,000	1,00,000
Reserve & surplus	(7,552)	(15,53,169)	(1,36,98,344)	1,06,07,83,170	(11,09,116)	(5,46,859)	(4,59,654)	(38,230)
Total assets	5,20,390	3,01,593	18,11,43,772	1,55,29,53,008	8,39,33,249	2,65,15,084	2,95,86,316	74,033
Total Liabilities	27,942	5,762	18,16,97,116	33,68,60,036	42,365	70,61,943	45,970	12,263
Investments	—	—	—	62,29,03,122	8,06,65,280	2,62,79,445	2,95,00,000	—
Turnover	50,875	—	1,99,808	39,75,47,458	2,31,612	23,500	22,500	—
Profit before taxation	1,587	(17,044)	(3,39,526)	15,22,471	(5,73,313)	(64,191)	(4,51,712)	(25,043)
Provision for taxation	(2,297)	—	(3,362)	(54,16,909)	34,700	—	—	—
Profit after taxation	3,884	(17,044)	(3,36,164)	69,39,380	(6,08,013)	(64,191)	(4,51,712)	(25,043)
Proposed Dividend	—	—	—	—	—	—	—	—
% of Shareholding	100	100	100	53.6	100	100	100	100

#### Note :

- Name of Subsidiaries which are yet to commence operation : NIL
- Names of subsidiaries which have been liquidated or sold during the year
  - Express Infra Consultancy Private Limited

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

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

S. No.	1	2
Name of associate	Yug infrastructures Private Limited	Carya Chemicals Private Limited
Latest audited Balance Sheet Date	31.03.2016	31.03.2016
Date on which the Associate was associated or acquired	21.11.2014	27.08.2015
Shares of Associates held by the company on the year end (Nos.)	15,00,000	2,95,000
Amount of investment in Associates	1,50,00,000	29,50,000
Extend of Holding (%)	50%	40.91%
Description of Significant influence	Indirect Holding	Indirect Holding
Reason for no consolidation of associates	N. A.	N. A.
Networth attributable to Shareholding as per latest audited Balance Sheet	3,11,11,896	7,19,60,162
Profit/Loss for the year	9,75,826	(-) 61,384
i. Considered in Consolidation (%)	50%	40.91%
ii. Not Considered in Consolidation (%)	50%	59.09%

#### Note :

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

As per our report of even date attached

For and on behalf of Board of Directors

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

**Avonmore Capital & Management Services Limited**

**H. K. CHHABRA**  
Proprietor  
FCA – Membership No. 089616  
Place : New Delhi  
Date : 28 May, 2016

**Sagar Gupta**  
Company Secretary  
ACS : A42611

**Shruti Aggarwal**  
Chief Financial Officer  
PAN : AQCPA2518D

**Govind Prasad Agrawal**  
Director  
DIN : 00008429

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



**Form No. MR - 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

*(Pursuant to Section 204(1) of the Companies Act, 2013 and*

*Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)*

To,

The Members,

**Avonmore Capital & Management Services Limited,**

**(CIN : L67190DL1991PLC045857)**

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

Phase-II, New Delhi-110 020

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

Based on our verification of the 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 on 31st march, 2016 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 Avonmore Capital & Management Services Limited ("the Company") for the financial year ended on 31st March, 2016 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 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (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, 1998; (Not applicable to the Company during the audit period).
- (vi) Other laws specifically applicable to the Company, namely the Rules, Regulations, Guidelines and Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934.

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 Listing Agreements entered into by the Company with the Delhi Stock Exchange Limited and the Bombay Stock Exchange Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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

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. 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 at least seven days 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 taken unanimously.

We further report that there are 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. The Board of the Company has given unanimous approval for giving loan, guarantee, security and investment in its wholly owned subsidiary.

We further report that during the audit period the company has not done any activities having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above) such as :

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

For **C.B. Mishra & Associates**  
Company Secretaries

Place : New Delhi  
Date : 12th August, 2016

(**C.B. MISHRA**)  
*Prop.*  
C. P. No. : 7254

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

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### Annexure - A

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

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 process 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 process and practices, 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. 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 Management. Our examination was limited to the verification of procedure 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 **C.B. Mishra & Associates**  
Company Secretaries

Place : New Delhi  
Date : 12th August, 2016

(**C.B. MISHRA**)  
*Prop.*  
C. P. No. : 7254