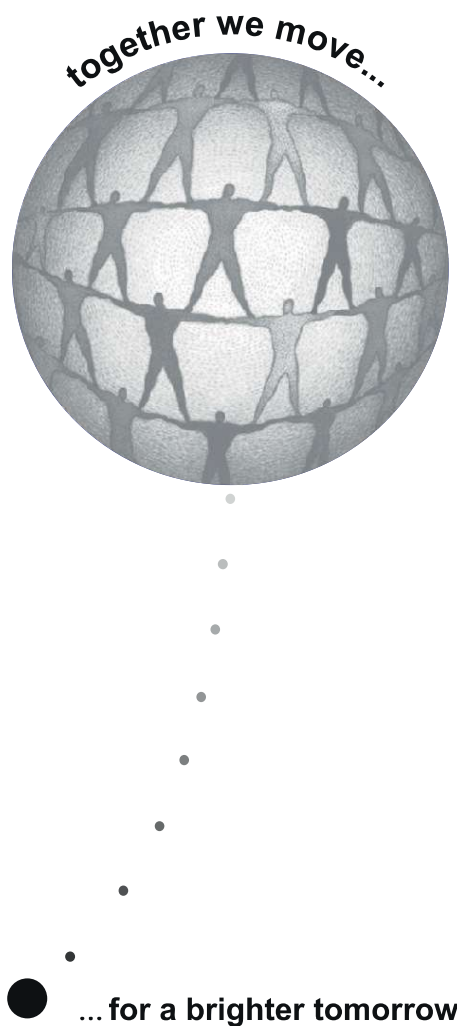


27th Annual Report
2018-19



Avonmore Capital & Management Services Ltd.

Corporate Information

Board of Directors	<p>Mr. Govind Prasad Agrawal - Non-Executive Chairman</p> <p>Mr. Ashok Kumar Gupta - Managing Director</p> <p>Ms. Ashu Gupta - Non-Executive Director</p> <p>Mr. Ajay Kumar - Non-Executive & Independent Director</p> <p>Mr. Chand Krishna Tikku - Non-Executive & Independent Director</p> <p>Mr. Shyam Sunder Lal Gupta - Non-Executive & Independent Director</p>
Auditors	<p>Mohan Gupta & Company</p> <p>Chartered Accountants</p> <p>B-2A/37, Janakpuri,</p> <p>Near Metro Pillar No. 536,</p> <p>Main Najafgarh Road,</p> <p>New Delhi-110058</p> <p>Ph: 45597859/41612538 e-mail : mohan.mgc@gmail.com</p>
Company Secretary & Compliance Officer	<p>Ms. Shilpa Bhatia</p>
Bankers	<p>HDFC Bank Ltd.</p> <p>AXIS Bank Ltd.</p>
Registrar & Share Transfer Agent	<p>Beetal Financial & Computer Services Pvt. Ltd.</p> <p>"Beetal House", 3rd Floor, 99 Madangir, Behind Local Shopping Centre,</p> <p>Near Dada Harsukhdas Mandir, New Delhi-110062</p> <p>Phones: 011-29961281, 29961282, Fax: 011-29961280/84</p> <p>E-mail: beetalrta@gmail.com, Website: www.beetalfinancial.com</p>
Registered Office	<p>F-33/3, Okhla Industrial Area, Phase-II,</p> <p>New Delhi-110 020</p>

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Directors' Report

To the Members,

Your directors have pleasure in presenting the 27th Annual Report along with the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL SUMMARY / HIGHLIGHTS

The standalone and consolidated financial highlights of your Company are as follows:

(Rs. In Lakh)

Particulars	2018-19		2017-18	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	393.36	8138.68	2,710.54	10,333.20
Total expenditure	140.28	7027.51	84.26	7,235.06
Profit before Tax	253.26	1109.58	2,626.22	3,098.18
Provision for Tax	(29.76)	130.83	558.46	576.39
Profit after Tax	283.02	978.75	2,067.76	2,521.80
Profit available for appropriation	226.42	889.93	1654.21	2030.34

STANDALONE & CONSOLIDATED FINANCIALS

Total revenues for the financial year ended March 31, 2019 amounted to 393.36 Lakhs as compared to Rs. 2,710.54 Lakhs in the previous financial year. As per the Consolidated Accounts, the total revenues are Rs. 8138.68 Lakhs, as against the previous financial year's revenue of Rs. 10,333.20 Lakhs. Net Profit after tax for the financial year 2018-19 is amounted to Rs. 283.02 Lakhs as against Rs. 2,067.76 Lakhs in the previous financial year. As per the Consolidated Accounts, the net profit after tax for the financial year 2018-19 is Rs. 978.75 Lakhs as against the profit of Rs. 2,521.80 Lakhs in the previous financial year.

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. 56.6 Lakh out of the profits of the year to the said Reserve Fund.

The Company proposes the total amount of Rs. 226.42 Lakhs available for appropriation to be retained in the profit and loss account.

INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

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

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015 and Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements as per the Accounting Standards applicable to the Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report are annexed with this Report. The said Financial Statements are also available on the website of the Company at www.avonmorecapital.in.

CASH FLOW STATEMENT

In conformity with the provisions of Listing Regulations, the Cash Flow Statement for the year ended March 31, 2019 is annexed hereto.

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2019 and August 21, 2019, being the date of this report.

RBI GUIDELINES

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

SHARE CAPITAL

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

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, 2019, your Company has the following entities as its Subsidiaries and Associates:

- Almondz Infosystem Private Limited
- Almondz Global Securities Limited
- Red Solutions Private Limited
- Apricot Infosoft Private Limited
- Avonmore Developers Private Limited
- Anemone Holdings Private Limited
- Glow Apparels Private Limited
- Willis Towers Watson India Insurance Brokers Private Limited (Associate through subsidiary Anemone Holdings Pvt. Limited)

During the year under review, SKTK Projects Limited (formerly known as Shivsathi Niketan Limited), Latitude 23 Communications Limited and TRP Social Consultants Limited ceased to be subsidiaries of Avonmore Capital & Management Services Limited w.e.f. 1.10.2018, 01.01.2019 & 19.03.2019 respectively.

Carya Chemicals & Fertilizers Private Limited and Yug Infrastructures Private Limited ceased to be associates of Avonmore Capital & Management Services Limited w.e.f. 22.03.2019.

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

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

prescribed format AOC-1 which form part of the Annual Report as **Annexure-I**.

The financial statement of each of the subsidiaries is put on the Company's website and may be accessed at www.avonmorecapital.in.

MATERIAL SUBSIDIARY

Almondz Global Securities Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy was revised effective from April 1, 2019 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.

PERFORMANCE OF SUBSIDIARY COMPANIES

Almondz Global Securities Limited

The revenue of the Company for the financial year 2018-2019 is Rs. 3797.08 lakhs as compared to Rs. 3996.54 in the previous financial year. During the year under review, the net profit for the financial year 2018-19 is Rs. 120.08 lakhs as against Rs.231.86 lakhs in previous Year.

Avonmore Developers Private Limited

The revenue of the Company for the financial year 2018-2019 is Rs.6.16 lakhs as compared to Rs. 0.25 Lakhs in the previous financial year. During the year under review, the net profit for the financial year 2018-19 is Rs. 3.33 Lakhs as against 0.39 lakhs in previous Year.

Glow Apparels Private Limited

The revenue of the Company for the financial year 2018-2019 is 0.04 lakhs as compared to Rs. 0.125 Lakhs in the previous financial year. During the year under review, the Company has incurred loss of Rs. 0.07 Lakhs as against loss of Rs. 0.11 lakhs in previous Year.

Apricot Infosoft Private Limited

The revenue of the Company for the financial year 2018-2019 is Rs. 2.93 lakhs as compared to Rs. 2.18 Lakhs in the previous financial year. During the year under review, the Company has incurred loss of Rs. 2.29 lakhs as against loss of Rs. 2.20 lakhs in previous Year.

Anemone Holdings Private Limited

The revenue of the Company for the financial year 2018-2019 is Rs. 6.40 lakhs as compared to NIL in the previous financial year. During the year under review, the net profit for the financial year 2018-19 is Rs. 6.32 Lakhs as against loss of Rs. 0.08 lakhs in previous Year.

Almondz Infosystem Private Limited

The revenue of the Company for the financial year 2018-2019 is Rs. 0.31 lakhs as compared to Rs. 0.30 lakhs in the previous financial year. During the year under review, the net profit for the financial year 2018-19 is Rs. 0.14 Lakhs as against 0.10 lakhs in previous Year.

Red solutions Private Limited

The revenue of the Company for the financial year 2018-2019 is Rs. 19.34 lakhs as compared to Rs. 0.52 Lakhs in the previous financial year. During the year under review, the Company has incurred loss of Rs. 0.94 lakhs as against loss of Rs. 0.08 lakhs in previous Year.

SECRETARIAL STANDARDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

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

The Board, at its meeting held on 21 August, 2019, based on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Bhupinder Singh as an independent director for a period of 5 years w.e.f from 27th September, 2019 to 26th September, 2024 subject to approval of members at the ensuing AGM. Mr. Bhupinder Singh is above 75 years. Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on May 09, 2018, prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Accordingly, special resolution for his re-appointment is included in the Notice of ensuing Annual General Meeting (AGM).

The first term of Mr. Ajay Kumar (DIN: 01954049) and Mr. Shyam Sunder Lal Gupta (DIN: 00044635), Independent Directors of the Company is expiring on 28th September, 2019 and they are eligible for the re-appointment for a second term. Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), and on the basis of performance evaluation the Board of Directors of the Company at its meeting held on 21 August, 2019, approved and recommended to the members of the Company, the re-appointment of Mr. Ajay Kumar and Mr. Shyam Sunder Lal Gupta as the Non-Executive Independent Directors of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 29th September, 2019 to 28th September, 2024. Accordingly, special resolutions for their re-appointment are included in the Notice of ensuing Annual General Meeting (AGM).

Mr. Chand Krishna Tikku(DIN:00479477),Independent Director of the Company is not seeking re-appointment for a second term due to his advanced age and consequently, he shall cease to be Director of the Company w.e.f. 28th September, 2019 due to expiry of his first term. The Board places on record its appreciation and gratitude for immense contributions and valuable guidance given by Mr. Chand Krishna Tikku during his long association as Board member of the Company.

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

Key Managerial Personnel

The following are the Key Managerial Personnel of the Company:

Mr. Ashok Kumar Gupta: Managing Director.

Mr. Sagar Gupta: Company Secretary and Compliance Officer (upto 6th April, 2019)

Ms. Shilpa Bhatia: Company Secretary and Compliance Officer (w.e.f 30th May, 2019)

Mr. Swapan Guha: Chief Financial Officer (upto 12th February, 2019)

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Mr. Shakti Singh: Chief Financial Officer (w.e.f 13th February, 2019)

During FY 2018-19 under review, Mr. Swapan Guha resigned from the position of Chief Financial Officer of the Company w.e.f. close of working hours of 12th February, 2019. In accordance with the provisions of Section 203 of the Companies Act, 2013 ('Act') and Rule 8 of (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shakti Singh was appointed as Chief Financial Officer of the Company w.e.f. 13th February, 2019 by the Board pursuant to recommendation of Nomination & Remuneration Committee.

Mr. Sagar Gupta resigned as the Company Secretary and Compliance Officer with effect from 6th April, 2019. The Board, on the recommendation of the Nomination & Remuneration Committee, appointed Ms. Shilpa Bhatia as the Company Secretary and Compliance Officer with effect from 30th May, 2019.

MEETINGS OF THE BOARD

During the financial year 2018-19, 4 (Four) meetings of the Board of Directors were held i.e. 30th May, 2018, 13th August, 2018, 14th November, 2018 & 13th February, 2019. For further details, please refer report on Corporate Governance forming part of the Annual Report.

AUDIT COMMITTEE

During the year under review, there was no change in the composition of the Audit Committee of the Company. As on 31st March, 2019, 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 Krishna Tikku 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.

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, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

LISTING

The Company is listed with Bombay Stock Exchange Ltd.

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

The Listing fees to the stock exchange for FY 2019-20 have been paid.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS:

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

The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated 7th May, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in ensuing AGM of the Company.

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

Further, the report of the Statutory Auditors alongwith notes to Schedules for the year ended 31st March, 2019 forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS:

In terms of section 204 of the Companies Act, 2013 and Rules framed thereunder the Board had appointed **M/s C. B. Mishra & Associates**, Company Secretaries in Wholetime Practice to carry out Secretarial Audit of the Company for the financial year 2018-19. The Secretarial audit report as provided by **M/s C. B. Mishra & Associates**, Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as **Annexure-II**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

REPORTING OF FRAUDS BY AUDITORS

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

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

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

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

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

PARTICULARS OF EMPLOYEES

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance

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

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

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

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

EXTRACTS OF ANNUAL RETURN

An extracts of Annual Return as prescribed under Section 92 (3) of the Companies Act, 2013 ('the Act') and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT-9 as on 31st March, 2019 is attached as **Annexure-IV** and is also available on the website of the Company at the weblink www.avonmorecapital.in/pdf/annexure%20IV_MGT-9.pdf. Further, pursuant to Section 134(3)(a) of the Act, a copy of Annual Return for the year ended 31st March, 2019 will be hosted on the website of the company at www.avonmorecapital.in.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts /arrangements / transactions entered by the Company with related parties during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

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

During the year 2018-19, pursuant to section 177 of the Companies Act, 2013 and SEBI Listing Regulations, 2015, All RPTs were placed before Audit Committee for its prior/ omnibus approval.

Further details of Related Party transactions as required to be disclosed by Accounting Standard on "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

During the year under review, the Company has amended the policy on Related Party Transactions in line with the revised Listing Regulations and the same is uploaded on the Company's website at http://www.avonmorecapital.in/pdf/transactions_policy.pdf.

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

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

POLICY ON INSIDER TRADING

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

Further, pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ('Amendment Regulations'), your Company has revised the existing Code of Conduct and the revised code is applicable to designated persons and their immediate relatives. The Code is available on the website of the Company at www.avonmorecapital.in.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The CSR Policy may be accessed on the Company's website at the link: http://www.avonmorecapital.in/pdf/CSR_2017.pdf.

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

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

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
6. Measures for the benefit of armed forces veterans, war widows and their dependants.

7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Such other matters as may be prescribed under applicable statute;
12. Such other activity / social cause as may be thought fit by the CSR Committee and approved by the Board.

During the year under review, the Company has spent Rs. 5.58 Lakhs on CSR activities. The Annual Report on CSR activities is annexed herewith marked as **Annexure V**.

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

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

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

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

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015 and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017, the Board has carried out an annual performance evaluation of its own performance, the individual Director's performance including Chairman and Independent Directors as well as an evaluation of the working of all Board Committees.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015, the Independent Directors held a meeting on May 30, 2019 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 SEBI (LODR) Regulations, 2015, the Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances, actual or suspected fraud or violation of the Codes of Conduct or policy. The said mechanism encompasses the Whistle Blower Policy and provides for adequate safeguards against victimization of persons who use such mechanism. It also provides direct access to the Chairman of the Audit Committee. The said policy is placed on Company's website at www.avonmorecapital.in/pdf/whistle_policy.pdf.

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 and 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, Senior Management 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 http://www.avonmorecapital.in/pdf/nomination_policy.pdf

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. As number of employees are less than statutory requirement, there is no applicability of constituting the Internal Complaint Committee under the Workplace (Prevention, Prohibition & Redressal) Act, 2013. However any complaint or matter under this act shall be dealt with local complaint committee constituted for the same.

The Company did not receive any complaints during the period under review, to report in the Board's report.

MAINTENANCE OF COST RECORDS

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

DISCLOSURE

As per the SEBI (LODR) Regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report. Details of the familiarization programme of the Independent Directors are

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

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.

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 **Govind Prasad Agrawal**
Managing Director **Director**

Place : New Delhi **DIN: 02590928** **DIN: 00008429**
Date : August 21, 2019