



AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

Our Company was originally incorporated as “Asthana Capital & Management Services Private Limited” on September 30, 1991 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation received from the Registrar of Companies, NCT of Delhi and Haryana (“RoC”). Subsequently, it was converted from private limited to public limited under section 43A (I-A) of the Companies Act, 1956 on May 15, 1992 and later changed its name to Allianz Capital & Management Services Limited on November 05, 1992. On May 22, 2007, the name of our Company was further changed to Almondz Capital & Management Services Limited and new certificate of incorporation was received from Registrar of Companies, NCT of Delhi and Haryana (“RoC”). On August 13, 2013, our Company again changed its name to Avonmore Capital & Management Services Limited. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI as a NBFC- Non Deposit taking – Non-Systematically Important under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no N-14.03164. For details of change in the registered office of our Company, see “General Information” on page 4 of this Draft Letter of Offer.

Registered Office: Level 5, Grande Palladium, 175, CST Road, Off BKC Kalina, Santacruz (E),
Vidyanagari, Mumbai, Maharashtra-400098, India

Telephone: +91-22 67526699

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

Contact Person: Sonal, Company Secretary and Compliance Officer

Telephone: +91-11-43500700 **Email:** secretarial@almondz.com; **Website:** www.avonmorecapital.in

Corporate Identity Number: L67190MH1991PLC417433

OUR PROMOTERS: NAVJEET SINGH SOBTI, GURPREET SOBTI, RAKAM INFRASTRUCTURES PRIVATE LIMITED AND INNOVATIVE MONEY MATTERS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH (“RIGHTS EQUITY SHARES”) OF THE COMPANY FOR CASH AT A PRICE OF ₹ [●] EACH (INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO ₹ 4900 LAKH ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●]. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 150 OF THIS DRAFT LETTER OF OFFER.

**Assuming full subscription with respect to the Rights Equity Shares*

WILFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company, nor any of our Promoters or our Directors are categorised wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” on page 20 of this Draft Letter of Offer.

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together, the “Stock Exchanges”). Our Company has received ‘in-principle’ approvals from BSE and NSE for listing the Rights Equity Shares to be allotted in the Issue through their letters dated [●] and [●], respectively. Company will also make an application to NSE and BSE to obtain their trading approval for the rights entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. NSE shall be the Designated Stock Exchange for the purpose of this Issue.

REGISTRAR TO THE ISSUE

BEETAL

BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi- 110062, India

Telephone: +91 011-29961281, 29961282

E-mail: beetal@beetalfinancial.com

Investor grievance E-mail:

Website: www.beetalfinancial.com

Contact Person: Punit Mittal

SEBI Registration No.: INR000000262

CIN: U67120DL1993PTC052486

ISSUE PROGRAMME*

ISSUE OPENS ON

LAST DATE FOR ON MARKET RENUNCIATION*

ISSUE CLOSES ON#

[●]

[●]

[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

CONTENTS

SECTION I – GENERAL	1
DEFINITIONS AND ABBREVIATIONS	4
NOTICE TO INVESTORS	11
PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION.....	13
FORWARD LOOKING STATEMENTS	15
SUMMARY OF THIS DRAFT LETTER OF OFFER	17
SECTION II – RISK FACTORS	20
SECTION III – INTRODUCTION	31
THE ISSUE.....	31
GENERAL INFORMATION	32
CAPITAL STRUCTURE.....	37
OBJECTS OF THE ISSUE	39
STATEMENT OF SPECIAL TAX BENEFITS	44
SECTION IV – ABOUT OUR COMPANY.....	46
INDUSTRY OVERVIEW	46
OUR BUSINESS	52
OUR MANAGEMENT.....	58
SECTION V: FINANCIAL INFORMATION.....	61
FINANCIAL STATEMENTS	61
ACCOUNTING RATIOS & CAPITALIZATION STATEMENT	136
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	138
SECTION VI: LEGAL AND OTHER INFORMATION.....	141
OUTSTANDING LITIGATIONS AND DEFAULTS.....	141
GOVERNMENT AND OTHER STATUTORY APPROVALS	145
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	146
SECTION VII – ISSUE RELATED INFORMATION.....	150
TERMS OF THE ISSUE.....	150
SECTION VIII - RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES...172	
SECTION IX – OTHER INFORMATION.....	173
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	173
SECTION X - DECLARATION.....	174

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/chapters titled “Industry Overview”, “Statement of Special Tax Benefits”, “Financial Information” and “Outstanding Litigations and Defaults” and “Terms of Issue” on pages 46, 44, 61, 141, and 150 respectively, of this Draft Letter of Offer shall have the meaning given to such terms in such sections.

General terms

Term	Description
“Avonmore Capital & Management Services Limited” or “We” or “us” or “Our Company” or “the Company” or “the Issuer” or “ACMS”	Avonmore Capital & Management Services Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Level 5, Grande Palladium, 175, CST Road, Off BKC Kalina, Santacruz (E), Vidyanagari, Mumbai, Maharashtra-400098, India and Corporate Office at F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020, India

Company related terms

Term	Description
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The Statutory Auditor of our Company, being M/s Mohan Gupta & Co., Chartered Accountants.
Audited Financial Statements/ Audited Financial Information	The audited financial statements of our Company for the financial year ended March 31, 2024 which comprises of standalone and consolidated balance sheet as at March 31, 2024, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Statements” on page 61 of this Draft Letter of Offer.
Board / Board of Directors	Board of Directors of our Company, including any committees thereof.
Corporate Office	The corporate office of the Company at F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020, India
Equity Share(s)	The Equity Shares of our Company of a face value of ₹1 each, unless otherwise specified in the context thereof.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page 58 of this Draft Letter of Offer

Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Promoter(s)	The Promoters of our Company, namely Mr. Navjeet Singh Sobti, Mrs. Gurpreet Sobti, Rakam Infrastructures Private Limited and Innovative Money Matters Private Limited. Mrs. Gurpreet Sobti and Rakam Infrastructures Private Limited form part of our Promoter Group as per shareholding pattern of our Company dated June 30, 2024 filed with stock exchanges.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at Level 5, Grande Palladium, 175, CST Road, Off BKC Kalina, Santacruz (E), Vidyanagari, Mumbai, Maharashtra-400098, India
Registrar of Companies/ RoC	The Registrar of Companies, Mumbai at Maharashtra.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.

Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The accounts opened with the Banker to the Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted and the Rights Equity Shares pursuant to this Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renounees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer.
Application	Application made (i) through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Form in terms of which an Applicant shall make an application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper applications and online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper.
ASBA Applicants / ASBA Investors	Applicants / Investors who make Application in this Issue using the ASBA Process.

ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker to the Company	HDFC Bank Limited and Axis Bank Limited
Banker to the Issue	[●]
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker to the Issue for transfer of funds to the Allotment Account, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange under this Issue and which is described in “ <i>Terms of the Issue</i> ” on page 150 of this Draft Letter of Offer
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares as on the Record Date, i.e., [●]
ISIN	International Securities Identification Number.
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share, including a share premium of ₹ [●] per Rights Equity Share for an aggregate amount upto ₹ 4900 lakh* on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of [●] held by the Eligible Equity Shareholders on the Record Date. <i>*Assuming full subscription</i>
Issue Closing Date	[●]
Issue Documents	Collectively, this Draft Letter of Offer, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter, any other issue material
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds/Gross Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to [●] Rights Equity Shares aggregating to an amount upto ₹ 4900 lakh*. <i>*Assuming full subscription</i>
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations

Materiality Policy	<i>'Policy for Determination and Disclosure of Materiality of an Event or Information'</i> adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality policy adopted by the Board of Directors through its resolution dated July 5, 2024 for the purpose of litigation disclosures in this Draft Letter of Offer.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see " <i>Objects of the Issue</i> " on page 39 of this Draft Letter of offer
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Non – ASBA Applicant/ Non - ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Offer Document(s)	The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. Eligible Equity Shareholders are requested to ensure that renunciation through off- market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●]
Registrar / Registrar to the Issue	Beetal Financial & Computer Services Private Limited
Registrar Agreement	Agreement dated July 26, 2024 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI master circular bearing number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 2,00,000 (including an HUF applying through Karta in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, [●] held by the Eligible Equity Shareholder on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.

Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time and/or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulant Borrower	An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays.

Business and Industry Related Terms

Terms	Description
ACMS	Avonmore Capital & Management Services Limited
AGICL	Almondz Global Infra Consultancy Limited
AGSL	Almondz Global Securities Limited
AFL	Almondz Finanz Limited
AFSL	Almondz Financial Services Limited
CAGR	Compound Annual Growth Rate
CSR	Corporate Social Responsibility
COVID-19	Coronavirus 2019
DDGS	Distiller's Dried Grains with Solubles
DSE	Delhi Stock Exchange Limited
ELS	Extra-Long Staples
FDI	Foreign Direct Investment
FTAs	Free Trade Agreements
GDP	Gross Domestic Product
ISO	International Organisation of Standardization
IBT	Internet Based Trading
KL	Kilo Litre
KLPD	Kilo Litres Per Day
MSMEs	Micro, Small, and Medium Enterprises
NBFC	Non-Banking Financial Company
NSEL	National Spot Exchange
NSPPL	North Square Projects Private Limited
PAPL	Premier Alcobev Private Limited
PGIPL	Premier Green Innovations Private Limited (formerly Premier Alcobev Private Limited)
SHSL	Skiffle Healthcare Services Limited
SPV	Special Purpose Vehicle
RBI	Reserve Bank of India
ZLD	Zero Liquid Discharge

Conventional, General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AUM	Asset Under Management
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant / DP	A Depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year / Fiscal/ FY	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
FY	Financial Year
GDP	Gross Domestic Product
Government / Government of India / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IMF	International Monetary Fund
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IRDAI	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number allotted by the depository
IT	Information Technology
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
Listing Agreements	The listing agreements entered into by our Company with the Stock Exchanges
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India

MICR	Magnetic ink character recognition
MoU	Memorandum of Understanding
Mutual Fund	Mutual Fund registered with SEBI under the SEBI Mutual Fund Regulations.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	Non-Resident Indian
NSE	National Stock Exchange of India Limited
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Rights Issue Circulars/ Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	United States Securities Act of 1933
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
US	United States of America
US GAAP	Generally Accepted Accounting Principles in United States
UPI	Unified Payments Interface
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR TO THE ISSUE. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Draft Letter of Offer are to the Republic of India and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements for the financial year ended on March 31, 2024. For further information, see “*Financial Information*” on page 61 of this Draft Letter of Offer.

We have prepared our Audited Financial Statements in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Regulation 33 of the SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakh.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section “*Risk Factors*” beginning on page 20 of this Draft Letter of Offer.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the

United States of America.

Certain numerical information has been presented in this Draft Letter of Offer in “Lakh” units. 10,000,000 represents one crore and 1,000,000 represents one million.

Exchange Rates for foreign currency

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the respective foreign currencies:

Currency	Exchange rate as on		
	March 31, 2024	March 31, 2023	March 31, 2022
1 US	83.38	82.22	75.81

(Source: www.fbil.org.in)

The price for the period end refers to the price as on the last trading day of the respective fiscal year.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- adverse effect of competition on our market share and profits;
- adverse effect on business operations of our subsidiaries and step down subsidiaries;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our businesses of subsidiaries and step down subsidiaries efficiently and effectively;
 - manage our credit risk;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 20, 52 and 138 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and

assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 20, 39, 52 and 141 respectively of this Draft Letter of Offer.

Summary of our Business

Our Company is registered with the Reserve Bank of India as a NBFC within the provisions of the NBFC (Reserve Bank of India) Directions, 1998 bearing certificate of registration number N-14.03164.

For further details, please refer to the chapter titled “*Our Business*” at page 52 of this Draft Letter of Offer.

Our Promoters

The Promoters of our Company are Mr. Navjeet Singh Sobti, Mrs. Gurpreet Sobti, Rakam Infrastructures Private Limited and Innovative Money Matters Private Limited.

Objects of the Issue

Our Company intends to utilize the Gross Proceeds raised through the Issue towards the following objects:

		(₹ in lakhs)
S. No.	Particulars	Estimated amount
1.	Investment in subsidiary	Upto 4,000.00
2.	General Corporate Purposes	[●]
3.	Issue expenses	[●]
Gross Proceeds*		[●]

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

For further details, see “*Objects of the Issue*” on page 39 of this Draft Letter of Offer.

Summary of Consolidated Financial Information

A summary of the Consolidated Audited Financial Information for the Financial Years ended on March 31, 2024, 2023 and 2022 is as under:

(₹ in lakhs)				
Sr. No.	Particulars	As of and for the Financial Year ended March 31, 2024	As of and for the Financial Year ended March 31, 2023	As of and for the Financial Year ended March 31, 2022
1.	Share Capital	2,400.40	2,400.40	2492.17
2.	Net Worth	30,157.52	27,819.26	20,625.30
3.	Revenue from operations	12,355.23	21,131.19	8,369.43
4.	Profit after tax (after minority interest)	1,240.61	11,544.96	3,247.43
5.	Earning Per Share (₹) – Basic	5.31	48.84	13.38
6.	Earning Per Share (₹) – Basic	5.31	48.84	13.38
7.	Net Asset Value per Equity Share (₹)	129.14	117.69	84.98
8.	Total borrowings	1414.39	2407.23	1,244.96

Intention and extent of participation by our Promoter and Promoter Group in the Issue

The Promoters and Promoter Group of our Company have, vide their letters dated July 25, 2025 ("Subscription Letters") indicated that they may not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Further, the promoters have confirmed that they do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "*Objects of the Issue*" at page 39 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

Summary of Outstanding Litigations and Defaults

A summary of outstanding legal proceedings involving our Company and Promoters as on the date of this Draft Letter of Offer is set forth in the table below:

Nature of cases	Number of cases outstanding	Amount involved* (₹ in lakhs)
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<i>Litigation involving our Promoter/Promoter Company</i>		
Criminal proceedings against our Promoter/Promoter Company	3	Not Ascertainable
Criminal proceedings by our Promoter/Promoter Company	3	Nil
Material civil litigation against Promoter/Promoter Company	Nil	Nil
Material civil litigation by our Promoter/Promoter Company	1	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<i>Litigation involving our Subsidiary/step-down subsidiary</i>		
Criminal proceedings against our Subsidiary/step-down subsidiary	1	Not Ascertainable
Criminal proceedings by our Subsidiary/step-down subsidiary	1	Not Ascertainable
Material civil litigation against our Subsidiary/step-down subsidiary	1	Not Ascertainable
Material civil litigation by our Subsidiary/step-down subsidiary	2	62.53
Actions by statutory or regulatory authorities	1	Not Ascertainable
Direct and indirect tax proceedings	4	3661.04

*to be extent ascertainable

For further details, see “*Outstanding Litigations and Defaults*” beginning on page 141 of this Draft Letter of Offer.

Risk Factors

For details of the risks associated with our Company, please see the section titled “*Risk Factors*” on page 20 of this Draft Letter of Offer.

Contingent liabilities

The details of contingent liabilities as per Consolidated Audited Financial Statements is as under:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2024
1.	Bank guarantee as on date (net of fixed deposits)	1076.97
2.	Collateral given to Oriental Bank of Commerce by North Square Projects Private Limited for the loan taken by Premier Alcobev Private Limited	711.49
	Total	1788.46

Related Party Transactions

For details of related party transactions for the Fiscal 2024, please refer to page 130 of this Draft Letter of Offer under the section titled “*Financial Statements*”.

Issue of Equity Shares for consideration other than cash in the last one year

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of filing of this Draft Letter of Offer.

Split/ Consolidation of Equity Shares in the last one year

On June 28, 2024 our Company has split existing 1 (one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) each fully paid up into 10 (ten) Equity Shares of face value of ₹ 1/- (Rupee One Only) each fully paid up.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with the Financial Statements and other financial information included elsewhere in this Draft Letter of Offer.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, Equity Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless otherwise stated, references to “we”, “us”, “our”, “our Company” and similar terms is for Avonmore Capital & Management Services Limited.

INTERNAL RISK FACTORS

- One of the Promoter of our Company Mr. Navjeet Singh Sobti, our Subsidiary and step-down subsidiary are involved in criminal proceedings.***

There are certain cases by and against Almondz Global Securities Limited (AGSL), subsidiary of our Company and its two Directors (Mr. Navjeet Singh Sobti and Mr. Jagdeep Singh) being common Directors with Almondz Commodities Private Limited, step-down subsidiary. These cases relate to National Spot Exchange Limited (NSEL) which are pending in the court(s) since 2014 in which AGSL and its Directors have been alleged to be accused in the year 2023. For details of these cases, please refer to section titled “*Outstanding Litigations and Defaults*” appearing on page number 141 of this Draft Letter of Offer.

- Our subsidiary and step down subsidiary company are involved in dispute/proceedings, the outcome of which may not be in favour of them and may be prejudicial to the interest of shareholder.***

Our subsidiary company viz. Almondz Global Securities Limited is involved in litigation with SEBI. Further, one of our subsidiary/step-down subsidiary company viz. Almondz Global Infra-Consultant Limited, Almondz Finanz Limited and Almondz Commodities Private Limited are involved in some litigations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable. We cannot assure you that these legal proceedings will be decided in favour of these entities, or that no further liability will arise out of these proceedings. These entities may have to incur significant expenses in such legal proceedings and may have to make provisions in their financial statements, which could increase expenses and liabilities. Any adverse decision may adversely affect our reputation, and our consolidated results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company are provided below:

Nature of cases	Number of cases outstanding	Amount involved* (₹ in lakhs)
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil

Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<i>Litigation involving our Promoter/Promoter Company</i>		
Criminal proceedings against our Promoter/Promoter Company	3	Not Ascertainable
Criminal proceedings by our Promoter/Promoter Company	3	Nil
Material civil litigation against Promoter/Promoter Company	Nil	Nil
Material civil litigation by our Promoter/Promoter Company	1	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<i>Litigation involving our Subsidiary/step-down subsidiary</i>		
Criminal proceedings against our Subsidiary/step-down subsidiary	1	Not Ascertainable
Criminal proceedings by our Subsidiary/step-down subsidiary	1	Not Ascertainable
Material civil litigation against our Subsidiary/step-down subsidiary	1	Not Ascertainable
Material civil litigation by our Subsidiary/step-down subsidiary	2	62.53
Actions by statutory or regulatory authorities	1	Not Ascertainable
Direct and indirect tax proceedings	4	3661.04

**to be extent ascertainable*

For further details, please refer to chapter titled ‘Outstanding Litigations and other Defaults’ on page 141 of this Draft Letter of Offer.

3. *Our revenues are significantly dependent on business operations of our subsidiary and step down subsidiaries.*

Our revenues are significantly dependent on infrastructure consulting/advisory, broking & distribution services, finance, investment and other advisory related services. One of our step down subsidiary viz. Almondz Global Infra-Consultant Limited offering infrastructure consulting/advisory services contributed 58%, 19% and 37% during FY24, FY23 and FY22 respectively in total consolidated revenue of our Company. Similarly, our subsidiary viz. Almondz Global Securities Limited, offering broking & wealth management services contributed 29%, 14% and 33% during FY24, FY23 and FY22 respectively in total consolidated revenue of our Company. Any loss of business in these areas could directly adversely affect our results of operations and financial condition. Further, we intend to utilize the Net Proceeds of the Issue by way of investment in these companies, which may not give any reward as our Company is not assured of any dividends pursuant to such investments. For details in respect of utilization of Net Proceeds, please refer to “*Objects of the Issue*” on page 39 of this Draft Letter of Offer.

4. *We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.*

As of March 31, 2024, contingent liabilities disclosed in the notes to our Consolidated Audited Financial Statements aggregated ₹ 1788.46 lakhs. Our contingent liabilities that had not been provided for as on March 31, 2024 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2024
1.	Bank guarantee as on date (net of fixed deposits)	1076.97
2.	Collateral given to Oriental Bank of Commerce by North Square Projects Private Limited for the loan taken by Premier Alcobev Private Limited	711.49
	Total	1788.46

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

5. Our lending business is effected by interest rate volatility. Fluctuation in interest rates could adversely affect our interest income and cost of fund which could affect our result of operations and cash flows.

Our lending business and results of operations will continue to be significantly dependent upon the amount of our interest income and cost of funds. Interest rates are sensitive to many factors beyond our control, including the monetary policies of the RBI, economic and political conditions in India and globally, inflation and other factors. Our ability to pass on any increase in interest rates depends on our borrowers' willingness to pay higher rates and the competitive landscape in which we operate. Furthermore, in the event of rising interest rates, our borrowers may be unwilling to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans from us if they are able to switch to more competitively priced advances. There can be no assurance that we will be able to adequately manage our interest rate risk in the future and if we are unable to do so, this could have an adverse effect on our income and results of operations.

6. Our Registered Office and corporate office is not owned. In the event we are unable to renew lease agreements, our business, financial condition and results of operations could be adversely affected.

Our registered office located at Level 5, Grande Palladium, 175, CST Road, Off BKC Kalina, Santacruz (E), Vidyanagari, Mumbai, Maharashtra-400098, India is being owned by our subsidiary company viz Almondz Global Securities Limited. We have not signed any registered lease deed with our subsidiary company. Our corporate office located at F-33/3 Okhla Industrial Area, Phase-II, New Delhi-110020, India have been taken on lease for a period of five years up to year 2028. In the event we are unable to renew the lease agreements or the same are terminated by the lessors, we may suffer a disruption in our operations. In case of such termination, we may encounter delay in finding suitable alternative properties in required timeframe or may not find alternatives at all. As a result, the termination, or threat of termination, of any of our leases would have a substantial disruptive effect on our business, distract our management and employees and may increase our expenses. The termination of any of our leases could have a material adverse effect on our business and our financial condition.

7. Our Company has negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating, investing activities as well as financing activities during some previous year(s) as per the Audited Financial Statements and the same are summarized as under:

	FY 2023-24	FY 2022-23	FY 2021-22
Net cash used from operating activities	4,247.54	1,935.51	(57.88)
Net cash used from investing activities	(3,579.19)	(1,758.72)	1,227.90
Net cash generated from financing activities	(1,347.09)	(218.77)	(781.25)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

8. We provide unsecured loans to our borrowers. If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

Our Company provides unsecured loans i.e., loans without any security. Hence, we run the risk of recovery by defaulters. Further, any deterioration in the quality of our borrowers in terms of their financial worth may also expose us to difficulties in timely recovery of interest and principal amount from such borrowers. In the event of such deterioration in our Company's asset portfolio, there could be an adverse impact on our business and our future financial performance. Further, any default in repayment by our borrowers, will result in losses to our Company. While we have been very selective and conservative in our lending policies and are generally satisfying ourselves with credit worthiness and repayment capacities of our borrowers, there can be no assurance that we will be able to timely recover the interest and / or principal of loans advanced by us.

9. *Investment in Shares and Securities carries risk.*

Our Company also invests in shares and securities in share market besides giving loans. The security market is volatile and is affected by price fluctuations on daily basis. Although our Company takes precaution in investing in shares and securities, we cannot be certain that the fluctuations in price in future will not effect the financial stability of our Company.

10. *The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.*

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue.

11. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled ‘Objects of the Issue’.*

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the section titled ‘Objects of the Issue’ on page 39 of this Draft Letter of Offer.

12. *If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.*

The minimum subscription criteria (of at least 90% of the Issue) as provided in regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations, in the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within such period as may be prescribed under applicable law. Further, in the event, there is a delay in making a refund of the subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law. For further details, please see "*Minimum Subscription – General Information*" beginning on page 36 of this Draft Letter of Offer.

13. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “*Industry Overview*” on page 46 of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

14. *Our Company is subject to periodic inspections by the RBI. Non-compliance with observations made during any such inspections could result in penalties and fines on our Company and could adversely affect the reputation of the business of our Company.*

Our Company is subject to periodic inspections by the RBI of our Company's books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information, which our Company have failed to furnish when called upon to do so. RBI inspections are a regular exercise and are carried out periodically by RBI for banks, financial institutions and NBFCs. Further, RBI's regulation pertaining to NBFC may change or become more rigorous in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business, financial performance and cash flows. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFCs.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected.

15. The financing industry is becoming increasingly competitive, and our Company's growth and profitability will inter alia depend on its ability to compete effectively

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. Competition in our industry depends on, among other things, service quality, diversified product portfolio, technology, brand value, distribution network, the ongoing evolution of government policies relating to the industry and the entry of new participants in the industry. Growing competition in our industry may adversely affect our business operations and our financial condition.

16. Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.

The Companies Act of 2013, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), the Regulations 2015 ("SEBI Listing Regulation"), the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011, and any other applicable laws and regulations require us to comply with a number of regulatory filings, maintenance of records, etc. Since we have always complied with the law, there have never been any fines or other punitive measures against us. However, should the company break any of the applicable laws, penalties may be imposed. Nonetheless, the Company's income might be impacted by any delays or fines.

17. Our success depends upon our management team and skilled personnel and our ability to attract and retain such persons.

Our future performance will be affected by the continued service of our management team and skilled personnel. We may face a challenge to recruit and retain enough suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future plans.

18. We have in the past entered related party transactions and may continue to do so in the future. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.

We have entered transactions with related parties. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter related party transactions in the future, and such transactions may potentially involve conflicts of interest. For further information on our related party transactions, see "*Financial Information*" on page 61 of this Draft Letter of Offer. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition, and cash flows. In the event any conflict of interest arises

between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected.

19. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our Company has not declared dividend during the last 5 years and our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our fund requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past and there can be no assurance that our Company will declare dividends in the future also.

20. *We do not own our logo and trademark and we currently do not have any other registered trademarks and hence we may not be able to safeguard our company from any infringement or passing off.*

The “Almondz” Trademarks bearing logo ,  and  is owned by our subsidiary company namely, Almondz Global Securities Limited and Almondz Global Infra-Consultant Limited. These trademark are registered under class 36 since 2007, 2008 & 2015, respectively. The Trademark application for the logo , has been applied for registration under class 9, 16, 35 & 36 by our Company on December 26, 2006, the status for the same has been mentioned as “Objected”. The company has filed another application of Trademark under class 9, 16, 35, 36, 42 & 45 for the logo  on December 15, 2022. The next date for further proceedings has been fixed for September 30, 2024. We are unable to comment on the conformity of grant of registration of our applied mark.

There is no guarantee that we will be able to secure the registration of our logo in the future, nor can we be certain that third parties will refrain from infringing upon our intellectual property, potentially causing harm to our business prospects, reputation, and goodwill. Furthermore, we cannot provide assurance that any future application for the registration of our logo by our company will be granted by the relevant authorities in a timely manner, if at all. Our current efforts to protect our intellectual property may be insufficient, posing a risk of diminishing our business value and adversely impacting our operations. In the event of disputes regarding the validity of such claims and the extent of the proprietary rights of others, we may need to resort to litigation. However, such legal proceedings could be protracted and costly, with no guaranteed outcome. Additionally, there is a possibility that we may not be able to detect unauthorized use of our intellectual property or take prompt and effective measures to enforce or protect it.

21. *We will continue to be controlled by our Promoter and Promoter Group after the completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.*

As on the date of this Draft Letter of Offer, our Promoter and Promoter Group hold 69.17% of the issued and outstanding paid-up share capital of our Company. As a result, they will have the ability to influence matters requiring shareholders’ approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders’ meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any other business decisions. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details regarding our shareholding, please refer to chapter titled “Capital Structure” beginning on page 37 of this Draft Letter of Offer

22. *Our Company has not availed any insurance coverage against potential losses arising from loss of assets or other risks associated with the business of our Company.*

As on date of this Draft Letter of Offer, our Company has not availed any insurance coverage. Our operations and premises are subject to inherent risks, such as defects, fire, riots, strikes, explosions, and natural disasters. Thus, in the event of any substantially large actual loss or damage, our Company may not be able to sustain the incidental liabilities, losses in revenue or increased expenses which we may have to bear on account of such large actual losses. Any large un-insured loss suffered by our Company, will have an adverse impact on our business, the results of operations and financial condition.

- 23. *Certain of our Promoters, Directors, and certain Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Certain of our Promoters, Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. We cannot assure you that our Directors and Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

Risks relating to the Equity Shares

- 24. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

- 25. *Our Company will not distribute the Issue Materials to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Issue Materials to such Shareholders who have provided an address in India for the service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. However, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act and may subject our Company to fines or penalties.

- 26. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circulars, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before [●]), to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialised form (except in case of transmission or transposition of Equity Shares).

- 27. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

28. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Any changes in the Finance Act 2023 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

29. *You may not receive the Equity Shares that you subscribe in the Issue until approximately fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

30. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

31. *Holder of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special

resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

32. *Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.*

The Rights Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends if paid in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

33. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

34. *There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.*

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time-to-time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

EXTERNAL RISK FACTORS

35. *Our business is affected by prevailing economic, political, and other prevailing conditions in India and the markets we currently service.*

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian economy, which in turn may adversely impact our business, prospects, financial performance, and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our

results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

36. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.*

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

37. *Terrorist attacks, civil disturbances, regional conflicts, and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.*

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition, and trading price of our Equity Shares

38. *Natural or manmade disasters and health epidemics could have a negative impact on the Indian economy, damage our facilities and also destroy the outlook of our Company, being an asset heavy company.*

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, damage to our assets and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

39. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations may adversely affect our business results of operations, cash flows and financial performance.*

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation, and implementation of any amendment to, or change to governing laws, regulation, or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

40. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has

experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed in our board of directors meeting held on May 30, 2024 pursuant to Section 62(1) (a) of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” on page 150 of this Draft Letter of Offer.

Equity Shares proposed to be issued	Up to [●] Rights Equity Shares
Rights Entitlements	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face value per Equity Share	₹ 1
Issue Price per Rights Equity Share	[●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share).
Issue Size	Up to ₹[●] lakh* *Assuming full subscription
Equity Shares issued prior to the Issue	24,73,26,000 Equity Shares of ₹ 1 each
Equity Shares subscribed prior to the Issue	24,73,26,000 Equity Shares of ₹ 1 each
Equity Shares paid up prior to the Issue	23,35,32,200 Equity Shares of ₹ 1 each (on account of forfeiture of 1,37,93,800 equity shares)
Equity Shares Issued and Subscribed after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares of ₹ 1 each
Equity Shares Paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares of ₹ 1 each
Security Codes	ISIN: INE323B01024 BSE: 511589 NSE: AVONMORE ISIN for Rights Entitlements: [●]
Use of Issue Proceeds	For details, see “ <i>Objects of the Issue</i> ” on page 39 of this Draft Letter of Offer
Terms of the Issue	For details, see “ <i>Terms of the Issue</i> ” on page 150 of this Draft Letter of Offer
Terms of Payment	The full amount of the Issue Price being ₹ [●] will be payable on application.

GENERAL INFORMATION

Our Company was originally incorporated as “Asthan Capital & Management Services Private Limited” on September 30, 1991 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation received from the Registrar of Companies, NCT of Delhi and Haryana (“RoC”). Subsequently, it was converted from private limited to public limited under section 43A (I-A) of the Companies Act, 1956 on May 15, 1992 and later changed its name to Allianz Capital & Management Services Limited on November 05, 1992. On May 22, 2007, the name of our Company was further changed to Almondz Capital & Management Services Limited and new certificate of incorporation was received from Registrar of Companies, NCT of Delhi and Haryana (“RoC”). On August 13, 2013, our Company again changed its name to Avonmore Capital & Management Services Limited. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI as a NBFC- Non Deposit taking – Non-Systematically Important under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. N-14.03164.

Registered Office

Avonmore Capital & Management Services Limited

Level-5, Grande Palladium,175,CST Road, Off BKC Kalina, Santacruz (E),
Vidyanagari, Mumbai, Mumbai, Maharashtra, India, 400098

Telephone: +91 22 67526699

E-mail: secretarial@almondz.com

Website: www.avonmorecapital.in

Corporate Identity Number: L67190MH1991PLC417433

Registration Number: 046387

Corporate Office

Avonmore Capital & Management Services Limited

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

Telephone: +91 11 43500700

E-mail: secretarial@almondz.com

Changes in the Registered Office Address

Date of Change	New Registered Office	Reason of Change
January 17, 2024	Level-5, Grande Palladium,175 ,CST Road, Off BKC Kalina,Santacruz(E), Vidyanagari, Mumbai, Mumbai, Maharashtra, India, 400098	Administrative convenience
March 11, 2015	F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020	Administrative convenience
25th April, 2011	2nd Floor, 3 Scindia House, Janpath, New Delhi-110001	Administrative convenience
20th April,2004	101, Bharat Chambers, 70, Scindia House, Connaught Circus, New Delhi-110 001	Administrative convenience

Address of the RoC

Our Company is registered with the Registrar of Companies, Mumbai at Maharashtra, which is situated at the following address:

Registrar of Companies, Mumbai

100 Everest, Marine Drive, Mumbai-400002,
Maharashtra, India

Company Secretary and Compliance Officer

Sonal

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

Telephone: +91 011 43500700

E-mail: secretarial@almondz.com / sonal.gupta@almondz.com

Chief Financial Officer**Shakti Singh**

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

Telephone: +91 011 43500700

E-mail: shakti.singh@almondz.com

Board of Directors

Name	Age	Designation	Address	DIN
Ashok Kumar Gupta	59	Managing Director	SFS 210, Pocket-B, Sarita Vihar New Delhi-110076, India	02590928
Ashu Gupta	55	Non-Executive Women Director	25 Third Floor, Madan Park East, Punjabi Bagh, New Delhi-110026	00007836
Ajay Kumar	73	Non-Executive Independent Director	C-6/57, 2nd Floor, St. Antony Sr. Secondary School, Safdarjung Development Area, Hauzkhas, New Delhi-110016	01954049
Govind Prasad Agrawal	70	Non-Executive Director & Chairman	H. N. 8/29, 1 st Floor, West Patel Nagar, New Delhi-110008	00008429
Shyam Sunder Lal Gupta	91	Non-Executive Independent Director	C-51, Naraina Vihar, New Delhi- 110028, India.	00044635
Bhupinder Singh	85	Non-Executive Independent Director	K-43 First Floor Kailash Colony, Greater Kailash New Delhi-110048	00062754

For detailed profile of our Directors, please refer to the chapter titled "Our Management" beginning on page 58 of this Draft Letter of Offer.

Statutory Auditors of our Company**M/s Mohan Gupta & Co.,**

B-2A/37, Janakpuri, New Delhi-110058, India

Contact Person: Himanshu Gupta

Telephone: +91 011 45597859

Firm registration no. 006519N

Peer Review: 01343

Registrar to the Issue**Beetal Financial & Computer Services Private Limited**

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping
Centre, Near Dada Harsukhdas Mandir,

New Delhi- 110062, India

Telephone: +91 011-29961281, 29961282

E-mail: beetal@beetalfinancial.com

Investor grievance E-mail: investor@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Punit Mittal

SEBI Registration No.: INR000000262

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (For details on the ASBA process, see "Terms of the Issue" on page 150 of this Draft Letter of Offer)

Banker to the Company

HDFC Bank Limited

B-3/6, 1st floor, Asaf Ali Road, New Delhi-110002

Telephone: +91-11-46806235

Fax : +91-11-23241930

Contact Person: Mr. Kunal Dutta Roy, Mr. Shivam Agarwal

E-mail: kunal.dutta@hdfcbank.com ; shivam.agarwal13@hdfcbank.com

Website: www.hdfcbank.com

SEBI Registration No.

INBI00000063

CIN: L65920MH1994PLC080618

Axis Bank Limited

148, Ground floor, Statesman House, Barakhamba Road,

New Delhi-110001

Telephone: +91-11-47425217

Fax : +91-11-47425100

Contact Person: Shivani Chaudhary / Puneet Attrey

E-mail: newdelhi.csd@axisbank.com / newdelhi.operationshead@axisbank.com

Website: www.axisbank.com

CIN: L65110GJ1993PLC020769

Bankers to the Issue/ Refund Bank

[•]

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Expert Opinion

Our Company has received a written consent dated July 26, 2024 from our Statutory Auditors, M/s Mohan Gupta & Co., to include their name in this Draft Letter of Offer as an "expert", as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements[#]	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e.[●]to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e.,[●]

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue*” beginning on page 150 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.beetalfinancial.com after keying in their respective details along with other security control measures implemented there at. For further details, see “*Terms of the Issue*” on page 150 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Credit Rating

This being a Rights Issue of Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustee

This being a Rights Issue of Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Since the Issue size does not exceed ₹ 10,000 lakh there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Changes in Auditors during the last three years

There has been no change in auditors in last three years

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Minimum Subscription

The objects of the Issue are making investment in subsidiary and General Corporate Purpose. The objects of the Issue do not involve financing of Capital Expenditure for a project.

However, our Promoter and Promoter Group have indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are applicable to the issue.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 150 of this Draft Letter of Offer.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Letter of Offer and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue is set forth below:

(In ₹ lakhs, except share data)

Particulars	Aggregate value at nominal value	Aggregate value at issue price
AUTHORISED SHARE CAPITAL		
34,00,00,000 Equity Shares of ₹ 1 each [^]	3400.00	[●]
ISSUED EQUITY SHARE CAPITAL		
24,73,26,000 Equity Shares of ₹ 1 each	2473.26	[●]
SUBSCRIBED EQUITY SHARE CAPITAL		
24,73,26,000 Equity Shares of ₹ 1 each	2473.26	[●]
PAID UP EQUITY SHARE CAPITAL^{\$}		
23,35,32,200 Equity Shares of ₹ 1 each ^{\$}	2335.32	[●]
PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER⁽¹⁾		
Up to [●] Rights Equity Shares (for Eligible Equity Shareholders) of ₹ 1 each	[●]	[●]
ISSUED EQUITY SHARE CAPITAL AFTER THE ISSUE⁽¹⁾⁽²⁾		
[●] Equity Shares of ₹ 1 each	[●]	[●]
SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹ 1 each	[●]	[●]
SECURITIES PREMIUM ACCOUNT		
Before the Issue	2564.18	
After the Issue	[●]	[●]

[^]Shareholders approved the increase of authorize share capital of our Company from ₹ 3000 Lakhs to ₹ 3400 Lakhs through postal ballot on June 14, 2024.

^{\$} Difference in subscribed and paid up capital is on account of forfeiture of 1,37,93,800 equity shares

⁽¹⁾The Issue has been authorized by our Board through its resolution dated May 30, 2024 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

⁽²⁾Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

*Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

* On June 28, 2024 our Company has split existing 1 (one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) each fully paid up into 10 (ten) Equity Shares of face value of ₹ 1/- (Rupee One Only) each fully paid up.

Notes to Capital Structure

1. Shareholding Pattern of our Company

- i. The details of the shareholding pattern of our Company as on June 30, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/avonmore-capital--management-services-limited/avonmore/511589/shareholding-pattern/> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AVONMORE&tabIndex=equity>.
- ii. The details of shareholders of our Company holding 1% or more of the paid-up capital as on June 30, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpdrPerCent.aspx?scripcd=511589&qtrid=122.00&CompName=Avonmore%20Capital%20&%20Management%20Services%20Limited&QtrName=June%202024&Type=TM> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding->

[pattern?symbol=AVONMORE&tabIndex=equity](https://www.bseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AVONMORE&tabIndex=equity)

- ii. The details of the Equity Shares held by our Promoter and members of our Promoter Group as on June 30 2024, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=511589&qtrid=122.00&QtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AVONMORE&tabIndex=equity>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2024 can be accessed at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=511589&qtrid=122.00&QtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AVONMORE&tabIndex=equity>.

2. **Details of outstanding instruments as on the date of this Draft Letter of Offer**

As on the date of this Draft Letter of Offer, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares or any other right, which would entitle any person to any option to receive Equity Shares.

3. No Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as on June 30, 2024
4. Our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Draft Letter of Offer with Designated Stock Exchange.

5. **Intention and extent of participation by our Promoters and Promoter Group**

The Promoters of our Company have, vide their letters dated July 25, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Further, the promoters have confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled “*Objects of the Issue*” at page 39 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

6. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with Regulation 10(4)(b) of SEBI SAST Regulations is ₹ [●] per Equity Share.
7. At any given time, there shall be only one denomination of the Equity Shares of our Company.
8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

Our Company intends to utilise the net proceeds from the Issue (“**Net Proceeds**”) towards funding of the following objects:

1. To make an investment in our subsidiary
2. General corporate purposes
3. To meet Issue related expenses

(collectively, referred to hereinafter as the “**Objects**”)

We intend to utilize the Gross Proceeds raised through the Issue (“**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue from the Net Proceeds.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Gross Proceeds from the Issue	[●]
Less: Issue related expenses	[●]
Net Proceeds from the Issue	[●]

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

<i>(₹ in lakh)</i>	
Particulars	Estimated Amount
Investment in subsidiary	Upto 4,000.00
General Corporate Purpose	[●]
Total Net Proceeds*	[●]

* *The amount utilized for general corporate purpose shall not exceed 25% of the Gross Proceeds*

* *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment*

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2025.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein. Subject to applicable law, if the actual utilization towards Issue expense is lower than the stated above, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business

considerations may require us to explore a range of options including utilizing our internal accruals. We believe that such alternate arrangements would be available to fund any such shortfalls. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, as per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects.

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see “*Risk Factor No. 10* appearing on page 23 of this Draft Letter of Offer.

Details of the Objects of the Issue

We are RBI Registered NBFC involved in the business of equity and debt investments, trading in securities and providing unsecured financing. The capital adequacy norms issued by the RBI, is not applicable to our Company as we are NBFC non-systematically important non-deposit taking Company. We intend to utilize the amounts by making investments in the form of equity and/or unsecured loan in our subsidiary and step-down subsidiary. It's important to note that none of the allocated amount for this purpose will be directed towards our Promoters or Promoter Group.

(a) *Investment in one of our subsidiaries viz. Almondz Global Securities Limited (Upto ₹ 4000 Lakhs)*

Almondz Global Securities Limited, a listed company, incorporated under the provisions of the Companies Act, 1956, is a financial services provider since 1994 which currently offers depository participant services, wealth management advisory and equity broking services. The company is a member of: National Stock Exchange of India Limited (NSE); Bombay Stock Exchange Limited, (BSE); and Central Depository Services (India) Ltd., (CDSL) (for depository services). AGSL is a subsidiary of our Company wherein our Company holds 56.36% shareholding of AGSL as on June 30, 2024.

Our Company proposes to invest upto 4000 Lakhs out of the Gross Proceeds in technology investment relating to AGSL's existing business and scaling of online trading business and in augmenting the margin deposited with various stock exchanges and provide permissible funding to clients. In addition, AGSL may look for further investing in its subsidiary company viz. Almondz Global Infra-Consultant Limited. Our Company propose to invest such amount in Almondz Global Securities Limited in the form of debt and/or equity.

- *Technology and business continuity planning*

AGSL intends to upgrade its existing technology infrastructure. The upgrades would include: (a) digitization of the business operations; (b) offering products and services through a platform in digitized form with high-end servers considering the increased volumes. The customers are technology savvy and demanding. AGSL will offer more products such as web trading and reporting. Customer relationship management system too would be put in place. As business grows, there would be a growing need to put in place a more sophisticated risk management and monitoring system. The back-office systems too will need to be modernized to cater to a larger client base and distributed processing demands.

- *Maintenance of margin deposits with stock exchanges*

Being SEBI registered Brokers, AGSL is required to maintain adequate levels of margin with the various stock exchanges across financial assets equity (cash), equity derivatives, and currency derivatives for businesses of trading in such financial assets. The margin requirements with the stock exchanges are determined by the stock exchanges on the basis of trading volumes, market volatility and to the extent of open interests in respect of equities, equity derivatives, and currency derivatives. Such margin requirements comprise of value at risk (VAR) margin, mark to market margin, extreme risk margin and other margins in the equities (cash) segment, and initial margin, exposure margin, delivery margin, other margins and crystallized margin obligations for the derivatives (equity derivatives and currency derivatives) segment. The stipulated margins are required to be deposited with stock exchanges before taking any trade/open position till the date of settlement/expiry of the relevant trade/open position. The margin requirement also increases in terms of percentage on account of various reasons including change in volatility in the market, and such margin requirements may change even if trade/open position remains constant. While company may receive

approved securities from clients, it may not be able to deposit those in the exchanges towards margin owing to implementation of different parameters / prudential norms by concerned stock exchanges, and thus company may have to deposit its own collaterals towards clients' margin requirements. Margins with the stock exchanges may be deposited in the form, inter-alia of cash, fixed deposits, liens marked against the fixed deposits, bank guarantees, approved securities and/or treasury instruments. Our Company intends to utilize part of Net Proceeds raised in the Issue towards maintenance of margin with stock exchanges, by investing in AGSL, which is currently the members of, viz BSE and NSE or any other stock exchange in future as may be applicable. The efficient utilization of available capital is critical in this business and typically requires utilizing available lines of credit (bank guarantees, overdraft limits) and other financial assets including fixed deposits with banks (current and non-current), approved securities and cash. Over the previous financial years, there has been an increased requirement to maintain margins with the stock exchanges.

- *Providing Margin Trading Facility and/or other permissible funding facilities to AGSL clients*

AGSL is required to cater to the clients' requirements especially its retail clients by offering new products. AGSL intends to also provide Margin Trading Facility (MTF) to its clients within the ambit of Regulations framed by SEBI including SEBI circular dated June 05, 2024 and other relevant circulars and guidelines issued by SEBI from time to time ("Margin Trading Facility Circular"), read with the applicable circulars, rules, regulations and byelaws framed, if any, by the respective stock exchanges which AGSL is member of. Further, as per the Margin Trading Facility Circular, AGSL will not be permitted to raise indebtedness for the purposes of MTF, if total indebtedness exceeds five times of AGSL's net worth as calculated in accordance with relevant regulatory directives. Therefore, we intend to utilize part proceeds proposed to be raised under the Issue for facilitating margin trading facility to AGSL clients, in the form of investment in AGSL, without compulsorily relying on the banks and financial institutions. In addition to the MTF detailed hereinabove, our Company intends to also utilize part proceeds of the Issue for extending such other funding facilities to AGSL clients, as may be permitted by SEBI/respective Stock Exchanges from time to time. AGSL identified that providing MTF and other permissible funding facilities to AGSL clients will help in retaining existing clients and attracting new clients, earn better yield on per customer basis and thereby consequential increase in AGSL's operations and profitability.

- *Investment in its subsidiary viz. Almondz Global-Infra Consultant Limited*

AGICL is 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 and tunnels, smart cities, urban infrastructure, water and wastewater, tourism, railways and metro rail and geospatial services including preparation of detailed project reports, operations & maintenance, supervision & quality control. AGICL undertakes various projects independently as well as through joint ventures/MoUs with other players in the industry. Delays in project completion result in delayed invoicing and subsequently, an increase in trade receivables. Majority of the client base of AGICL is government bodies engaged in developing and changing infrastructure conditions in India. Additionally, to participate in a bid, AGICL is required to deposit a certain percentage of the contract value as security. This ties up a portion of the company's funds, reducing the amount available for other operational needs. The larger the contract, the higher the Earnest Money Deposit (EMD), which can significantly affect working capital. Even though EMD is refundable, the recovery process might take time, especially if there are disputes or administrative delays. During this period, the funds remain tied up, affecting the company's liquidity and working capital position. The company intends to bid for larger projects as independent/ lead partner wherein EMD/ security deposit/ and related tender expenses will get increased, compared to company's existing strategy to bid for smaller projects through Joint Venture.

(b) General Corporate Purposes

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

(c) Issue related expenses

The expenses for this Issue include issue management fees, registrar fees, legal advisor fees, monitoring agency fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹ [●] Lakhs.

(₹ in lakhs)

Particulars	Estimated expenses	As a % of total estimated Related Expenses	As a % of Issue Size#
Fees of Banker to the Issue, Registrar to the Issue, Auditor's Fees, etc. including out of pocket expenses	[●]	[●]	[●]
Advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total Estimated Issue Expenses*^	[●]	[●]	[●]

* Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

^Excluding taxes

#Assuming full subscription

Undertaking by our Promoters

Pursuant to their respective letters each dated July 25, 2024, our Promoters and Promoter Group have confirmed that they do not intend to subscribe to their Rights Entitlements and may renounce those in favour of third parties.

The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company may buy, trade or otherwise dealing in shares of any unlisted company or any other listed company or for any investment in the equity markets or we may invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital accounts and other investment grade interest bearing securities as may be approved by the Board and in accordance with the MoA and AoA of the Company. Such investments would be in accordance with the investment policies approved by our Board and Shareholders, if applicable/ required from time to time and at the prevailing commercial rates at the time of investment.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 82 of the SEBI ICDR Regulations,

our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, require appraisal from any agency, in accordance with applicable law.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any act, regulations, rules and other laws are or will be applicable to the company for the proposed Rights Issue.

Other Confirmations

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable regulations.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To,

The Board of Directors

Avonmore Capital & Management Services Limited

Level-5, Grande Palladium, 175, CST Road, Off BKC Kalina, Santacruz(E),

Vidyanagari, Mumbai, Maharashtra-400098

Dear Sir/Madam,

Subject: Proposed rights issue of equity shares of face value of ₹ 1/- each (“Equity Shares”) of Avonmore Capital & Management Services Limited (“Company” and such offering, the “Issue”)

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement. The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

- (i) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with

This statement is intended solely for information and for inclusion in the Draft Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

Yours faithfully,

For and on behalf of

M/s. Mohan Gupta & Co.

Chartered Accountants

Firm Registration No.: 006519N

Name: CA Himanshu Gupta

Partner

ICAI Membership Number: 527863

UDIN:

Date:

Place: New Delhi

ANNEXURE

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

I. Special Tax Benefits available to the Company under the Act:

There are no special tax benefits available to the Company.

II. Special Tax Benefits available to the Shareholders under the Act:

There are no special tax benefits available for the shareholders of the Company under the provisions of the Act.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Industry sources and publications are also prepared based on information as on specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Letter of Offer, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 61 of this Draft Letter of Offer.

Global Outlook

Moderating inflation and steady growth open path to soft landing

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Source - [World Economic Outlook, January 2024: World Economic Outlook Update \(imf.org\)](#)

Forces shaping the Outlook

The global economic recovery from the COVID-19 pandemic, Russia’s invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favourable supply side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Indian Outlook

Market Size:

India’s GDP took a big leap on Leap Day in 2024: The country’s remarkable growth rate of 8.4% in the third quarter of the fiscal year 2024 surpassed all expectations, as market analysts had penciled in a slower growth last quarter, between 6.6% and 7.2%. Deloitte’s projected growth for the quarter was between 7.1% and 7.4% (as published in January 2024). With substantial revisions to the data from the past three quarters of the fiscal year, India’s GDP growth already touched 8.2% year over year (YoY) in these quarters.

Growth prediction is revised to a range of 7.6% to 7.8%, up from previous estimates due to GDP revisions and stronger-than-expected growth in fiscal 2024. However, it is expected that growth in the fourth quarter to be modest because of uncertainties related to India’s 2024 general elections and modest consumption growth. Our expectations for the near-term future remain in line with previous forecasts with a slight change in the forecast range due to a higher base effect in fiscal 2024. We believe

GDP growth to be around 6.6% in the next fiscal year (fiscal 2025) and 6.75% in the year after (fiscal 2026), as markets learn to factor in geopolitical uncertainties in their investment and consumption decisions.

The global economy is expected to witness a synchronous rebound in 2025 as major election uncertainties are out of the way and central banks in the West likely announce a couple of rate cuts later in 2024. India will likely see improved capital flows boosting private investment and a rebound in exports. Inflation concerns remain; however, it is believed that ease only in the latter half of the next fiscal year barring any surprises from rising oil or food prices.

Not only has growth in consumer spending post pandemic been fluctuating, but there is also a shift in consumption patterns, with demand for luxury and high-end products and services growing faster than demand for basic goods. As expected, the number of middle- to high-income households with increasing disposable income to rise, this trend will likely get further amplified, driving overall private consumer expenditure growth. But the challenge of rising household debt and falling savings could weigh on long-term growth sustainability. Controlling household debt to prevent it from crossing unsustainable levels will be essential to mitigate risks of debt overhang, maintain economic stability and protect households against financial vulnerability.

Source – [Indian economic outlook, April 2024/ Deloitte](#)

A Few Recent Developments

- India's forex reserves rose by US\$ 2.56 billion to US\$ 644.151 billion for the week ending May 10, 2024 driven by increases in foreign currency and gold reserves.
- India's digital economy is poised to reach 20% of GDP by 2027, powered by strategic investments in AI, semiconductors, and advanced infrastructure.
- Optimism in India's real estate sector hit a 10-year high in Q1 2024, driven by strong economic fundamentals, post-pandemic recovery, and increased transaction volumes, with the residential market leading the surge, according to the Knight Frank-NAREDCO Real Estate Sentiment Index.
- PGIM India Asset Management aims to double its assets under management to ₹ 50,000 crore within 2-3 years, driven by expanding its product range and focusing on Systematic Investment Plans (SIPs) amidst a booming Indian mutual fund industry.

Source – [Indian Economic News/ IBEF dated May 21, 2024](#)

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- Capital expenditure outlay for the next year is being increased by 11.1 per cent to ₹ 11, 11,111 crore, which would be 3.4 per cent of the GDP.
- Upliftment of 'Garib' (poor), 'Mahilayen' (women), 'Yuva' (youth) and 'Annadata'(farmer) is the highest priority of government.
- A corpus of rupees one lakh crore will be established with fifty-year interest free loan for youth.
- Scheme of 50-year interest free loan for capex to states will be continued this year with total outlay of ₹ 1.3 lakh crore.
- Government is working with an approach to development that is all-round, all-pervasive and all-inclusive.
- The budget contains a number of announcements and strategies indicating directions and development approach for making India Viksit Bharat by 2047.
- Government will pay utmost attention to make the eastern region and its people a powerful driver of India's growth.
- Government will form a high-powered committee for an extensive consideration of the challenges arising from fast population growth and demographic changes.

Source – [Press Information Bureau, Government of India/White paper on Indian Economy dated February 01, 2024](#)

Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs)

performed well in July and August of 2023. 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.

Non-Banking Financial Company

A Non-Banking Financial company (NBFC) is a company registered under the Companies Act, 1956 or Companies Act, 2013, engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in instalments by way of contributions or in any other manner, is also a non-banking financial company (residuary non-banking company). In terms of Section 45-IA of the RBI Act, 1934, no non-banking financial company can commence or carry on business of a non-banking financial institution without: a) obtaining a certificate of registration from the bank and without having a net owned funds of ₹ 25 lakhs (₹ two crores since April, 1999). However, in terms of the powers given to the bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. venture capital fund/merchant banking companies/stock broking companies registered with SEBI, insurance company holding a valid certificate of registration issued by IRDA, nidhi companies as notified under section 620A of the Companies Act, 1956/ section 406 of the Companies Act, 2013, chit companies as defined in clause (b) of section 2 of the Chit Funds Act, 1982, housing finance companies regulated by National Housing Bank, stock exchange or a mutual benefit company. A company incorporated under the Companies Act, 1956/ Companies Act, 2013 and desirous of commencing business of non-banking financial institution as defined under section 45 I(a) of the RBI Act, 1934 should comply with the following: 1. it should be a company registered under Companies Act, 1956/ Companies Act, 2013 2. It should have a minimum net owned fund of ₹ 200 lakh.

(Source: <https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92>)

NBFCs building the future of India

NBFCs have become increasingly important in recent years as they have played a critical role in providing credit to individuals and businesses that are underserved by traditional banks. This is especially true in rural and semi-urban areas, where NBFCs have been able to fill the gap left by banks. One of the key advantages of NBFCs is their ability to be flexible in their lending practices. Unlike banks, which have a rigid set of guidelines for lending, NBFCs can tailor their lending practices to meet the specific needs of their clients. This has made them an attractive option for those who are looking for more personalised financial services. They are financial institutions that provide a wide range of banking services like loans, credit facilities, investments, and other financial products. NBFCs have played a significant role in the Indian economy's growth story, especially in the rural and semi-urban areas. They cater to the financial needs of small and medium-sized businesses, entrepreneurs, farmers, and individuals who do not have access to traditional banking services. In this article, we will explore the future of NBFCs in India.

Another advantage of NBFCs is their ability to provide loans quickly. Unlike banks, which have a lengthy approval process, NBFCs can approve loans much faster. This is because they have a smaller bureaucracy and can make decisions quickly. NBFCs have become increasingly important in India owing to the use of technology to reach wider audiences. Many NBFCs have developed digital platforms that allow customers to apply for loans online, making the process faster and more convenient. This has helped to attract a younger, tech-savvy customer base. The trend of consolidation has been beneficial for the NBFC space. The recent wave of mergers and acquisitions in this sector has been rising as larger NBFCs seek to expand their reach and smaller ones look to scale up their operations.

However, NBFCs also have their share of challenges. One of the biggest challenges facing NBFCs in India is access to funding. Unlike banks, which have access to low-cost deposits, NBFCs must rely on borrowing from banks or issuing bonds to raise funds. This can make it difficult for NBFCs to compete with banks on interest rates. Another challenge faced by NBFCs is the regulatory environment. While the RBI regulates NBFCs, there are also several other regulators that oversee different aspects of the financial services industry. This can create confusion for NBFCs, especially those that operate across multiple states or regions.

Despite these challenges, NBFCs have continued to grow in India. The government is taking several measures to ease the challenging situations prevailing in the sector by way of providing liquidity support to NBFCs, Housing Finance Companies (HFCs), as well as Microfinance Institutions (MFIs) and introducing partial credit guarantee schemes, etc.

NBFCs have increasingly been playing a significant role in financial intermediation by complementing and competing with banks, and by bringing efficiency and diversity into the financial ecosystem. NBFCs enjoy greater operational flexibility to take up a wider scale of activities, enter new geographies and sectors and thus grow their operations.

After the pandemic decline, 2023 has brought growth for the NBFCs. It has demonstrated an innovative and resilient streak over the years which includes adapting efficiently even during the COVID-19 pandemic to avoid the revolving credit landscape. The market share of NBFCs has increased in the last few years with Asset Under Management (AUM) accounting for as much as 18% of the overall credit on March 2019, up from 12% in March 2008. A few challenges over the past three years lowered their share to 16% in fiscal 2022, with banks making bigger growth strides. The increase in NBFCs AUM from US\$ 44.02 billion (₹ 3.6 lakh crore) in March 2008 to almost US\$ 330.21 billion (₹ 27 lakh crore) in March 2022, and is expected to increase further, indicates the importance of the sector to overall credit delivery in the economy.

Source: <https://www.ibef.org/research/case-study/nbfc-building-the-future-of-india>

Growth of NBFCs market in India

The Indian banking system consists of 12 public sector banks, 21 private sector banks, 44 foreign banks, 12 Small finance banks.

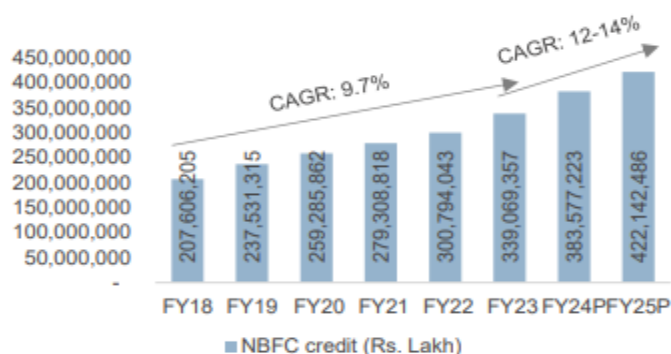
India's digital lending market witnessed a growth of CAGR 39.5% over a span of 10 years. The Indian digital consumer lending market is projected to surpass US\$ 720 billion by 2030, representing nearly 55% of the total US\$ 1.3 trillion digital lending market opportunity in the country.

According to RBI's Scheduled Banks' Statement, deposits of all scheduled banks collectively surged by a whopping ₹ 200.6 lakh crore (US\$ 2,414.15 billion) as of January 26, 2024.

Source: <https://www.ibef.org/industry/banking-india>

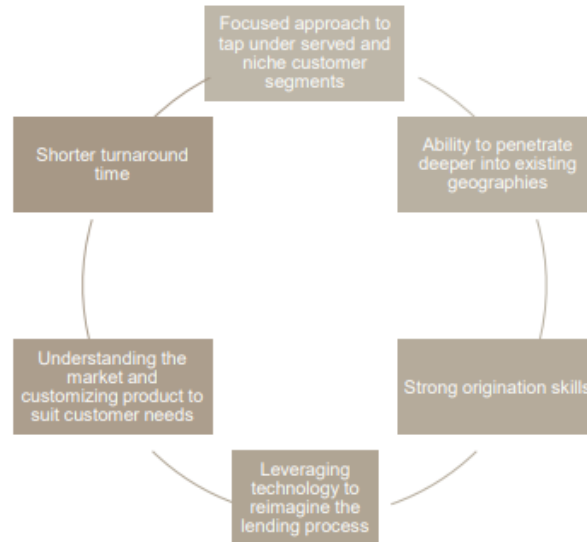
In Fiscal 2023, pace of credit further improved and is at par with pre-COVID level. Overall credit grew by estimated 13.3% and systemic retail credit grew by 19.2%. CRISIL MI&A projects NBFC credit to grow at 12%-14% between Fiscal 2023 and Fiscal 2025. The credit growth will be driven by the retail vertical, including housing, auto, and microfinance segments. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2024, leading to healthy growth NBFCs. Moreover, organic consolidation is underway with larger NBFCs gaining share. Further, growth of the non-banking industry will be driven mainly by NBFCs with strong parentage who have funding advantage over other NBFCs.

NBFC credit to grow at CAGR 12-14% between fiscals 2023 and 2025



NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹ 20,000,000 Lakh AUM at the turn of the century to around ₹ 339,069,357 Lakh at the end of Fiscal 2023. CRISIL MI&A expects NBFC credit to grow at 12-14% CAGR between fiscal 2023 and fiscal 2025. Their share in the overall credit pie has increased from 12% in Fiscal 2008 to 18% in Fiscal 2023 and projected to be remained stable in fiscal 2024. CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks.

Growth of NBFCs reflects the customer value proposition offered by them



Source: CRISIL MI&A

Source: https://www.manbafinance.com/wp-content/uploads/2024/03/Manba-Finance-Report_Final-Clean-Version_signed.pdf

NBFCs have a reasonable market share across segments

Underchallenges in obtaining credit due to reasons such as a lack of credit history and the inability to provide collateral. Government initiatives such as Pradhan Mantri Jan-Dhan Yojana (PMJDY), Aadhaar, and widespread digitization (referred collectively as the ‘JAM Trinity’) have expanded the formal financial inclusion for underserved Indian population. Additionally, the widespread availability of affordable data and digital disruption has transformed the financing landscape in India. NBFCs have generally been able to address this opportunity on account of their strong origination skills, extensive reach, better customer service, faster processing, streamlined documentation requirements, digitization of customer on-boarding process, customized product offerings, local knowledge, and differentiated credit appraisal methodology. The rapid evolution of fintechs over the last few years has added another dimension to the market served by NBFCs and has fuelled rapid growth across the landscape.

NBFCs have consistently gained or maintained market share across most asset classes over the last few years. Though, in certain segments such as housing finance to prime customers, they have lost market share to banks due to the decline in market interest rates. In the gold loans market, NBFCs slightly lost market share in Fiscal 2022 due to increasing focus of banks (both public and private) towards gold loans as well as RBI permitting banks to offer gold loans at a higher loan-to-value amidst the COVID-19 pandemic. Nevertheless, NBFCs continue to have a healthy market share across other segments.

Impact of digitization on retail credit

Digital lending products such as instant loans or online personal loans have completely revolutionised retail credit due to great convenience that it offers to the customers. The underwriting process, while essential for assessing borrowers, can sometimes be time-consuming and reliant on subjective elements. Thus, there is room for improvement in leveraging all available data efficiently. Organizations may find opportunities to streamline the process, making it more agile and resource-effective. Lenders are increasingly using their web platforms and creating apps to register, score, approve and disburse loans to their customers. For lenders, digitization has enabled them to make informed decision making through business insight generation and data visualization. Moreover, it has improved lead generation for lenders with faster onboarding of customers, comprehensive loan servicing, and fraud detection. For customers, it has become easier to gather information about different lenders with the help of digitization and compare them. Further, online loan application has made it convenient for borrowers

to fill loan applications from remote locations, calculate EMIs, check for eligibility of loan amount and provide all documents digitally which enhances customer experience throughout the process and help them make an informed decision.

Furthermore, the India Stack, a set of APIs and tools that enable the building of digital platforms for various services, has been a game-changer in the retail credit sector. The India Stack includes Aadhaar (for identity verification), e-KYC (for paperless Know Your Customer processes), eSign (for digitally signing documents), and the Unified Payments Interface (UPI) for seamless and instant fund transfers. All of these components have been seamlessly integrated into the digital lending ecosystem, making it easier for lenders to streamline their operations and offer a seamless experience to borrowers. Looking ahead, the digitization of retail credit in India is expected to continue evolving.

Road Ahead:

Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector. All these factors suggest that India's banking sector is poised for robust growth as rapidly growing businesses will turn to banks for their credit needs. The advancement in technology has brought mobile and internet banking services to the fore. AI and automation are demonstrating unprecedented value while Blockchain has sparked innovation throughout the business landscape and is poised to continue in doing so. The banking sector is laying greater emphasis on providing improved services to their clients and upgrading their technology infrastructure to enhance customer's overall experience as well as give banks a competitive edge.

In recent years India has experienced a rise in fintech and microfinancing. India's digital lending stood at US\$ 75 billion in FY18 and is estimated to reach US\$ 1 trillion by FY23 driven by the five-fold increase in digital disbursements. The Indian fintech market has attracted US\$ 29 billion in funding over 2,084 deals so far (January 2017-July 2022), accounting for 14% of global funding and ranking second in terms of deal volume. By 2025, India's fintech market is expected to reach ₹ 6.2 trillion (US\$ 83.48 billion).

Source – [*India's Paper and Packaging Industry | IBEF*](#)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 20 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 61 and 138, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements.

OVERVIEW

Avonmore Capital & Management Services Limited was originally incorporated as ‘Ashtan Capital and Management Services Private Limited’, a private limited company under the provisions of the Companies Act, 1956, at New Delhi on September 30, 1991 with Registrar of Companies, Delhi and Haryana. Subsequently, it was converted to a public limited under section 43A (I-A) of the Companies Act, 1956 on May 15, 1992 and changed its name to “Allianz Capital and Management Services Limited” with effect from November 05, 1992.

Further, the name of our Company was changed to ‘Almondz Capital and Management Services Limited’ w.e.f. May 22, 2007 vide fresh certificate of incorporation received from the Registrar of Companies, NCT of Delhi and Haryana. The name of the Company then changed from ‘Allianz Capital and Management Services Limited’ to its current name ‘Avonmore Capital & Management Services Limited’ vide fresh certificate of incorporation dated August 13, 2013. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI as a NBFC- Non Deposit taking – Non-Systematically Important under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. N-14.03164.

Avonmore Capital & Management Services Limited (formely known as Allianz Capital & Management Services Limited) was an investment company engaged in the business of sub broking and advisory services and had commenced its operations in the year 1991-1992. ACMS hold majority shareholding in different companies of Almondz group. The main income of our Company is bifurcated into interest received from our lending business and dividend received from the investment in these ventures apart from capital appreciation. ACMS is also an AMFI (Association of Mutual Fund of India) registered Mutual Fund distributor and involved in distribution of various financial products viz. mutual funds, equity IPOs, tax saving schemes etc. Our Company’s current business model is centered around two major activities in financial market i.e. investments in securities; and granting of loans. Our source of funding comprises of own funds and loan funds.

Mr. Navjeet Singh Sobti, Mrs. Gurpreet Sobti, Rakam Infrastructures Private Limited and Innovative Money Matter Limited are the Promoters of our Company. Mr. Navjeet Singh Sobti, is the Almondz Group's strategist, associated since 1992. He is a Chartered Accountant, who excels at successfully implementing business strategies, joint ventures, mergers and acquisitions, corporate restructuring, aiming at maximizing stakeholders' value. His leadership has helped Almondz Group to diversify in different sectors.

Our Company’s subsidiary company and step-down subsidiaries are in the field of investment banking, management advisory services, stock-broking, depository participant, research analyst, merchant banking, wealth management, infrastructure consultancy services and manufacturing green fuel amongst others.

During the financial year ended March 31, 2024, our total income at consolidated level was ₹ 12729 lakhs as compared to ₹ 8772.19 lakhs (excluding non-recurring income from profit on strategic sale of investments of ₹ 12707.80 lakhs) during FY 2023. Profit after tax during FY 2024 was ₹ 2188 lakhs as compared to ₹ 2664 lakhs (excluding non-recurring income from profit on strategic sale of investments of ₹ 12707.80 lakhs) during FY 2023.

COMPETITIVE STRENGTH

(a) Experienced and professional management team.

Our management team is experienced in the industry in which we are operating and has been responsible for the growth of

our operations and financial performance. Our Promoter Mr. Navjeet Singh Sobti is having over three decade of experience in the line of the business undertaken by the Company. The strength of our Promoters and management have been instrumental in driving our growth and implementing our strategies. We believe that the experience of our management team and its' in depth understanding of the financial sector will enable us to continue to take advantage of both current and future market opportunities.

(b) Industry expertise

We have built industry-specific expertise, and capabilities which gives us the ability to articulate and demonstrate long-term value to our clients, with whom we have deep, enduring and expansive relationships. We maintain ethical and corporate governance standards to ensure honest and professional business practices and protect the reputation of our Company and our customers.

(c) Internal control and risk management.

Our Company is in the process of establishing additional internal controls and risk management systems to assess and monitor risks. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

OUR BUSINESS STRATEGIES

(a) Focus on customer services by efficient use of technology.

We believe that customer service initiatives coupled with the effective use of technology can help us enhance our recognition and business operations. We intend to continue investing in technology to improve our operational efficiencies, functionality, reduce errors and improve our productivity. We also believe in deploying strong technology systems that will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. We intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a NBFC.

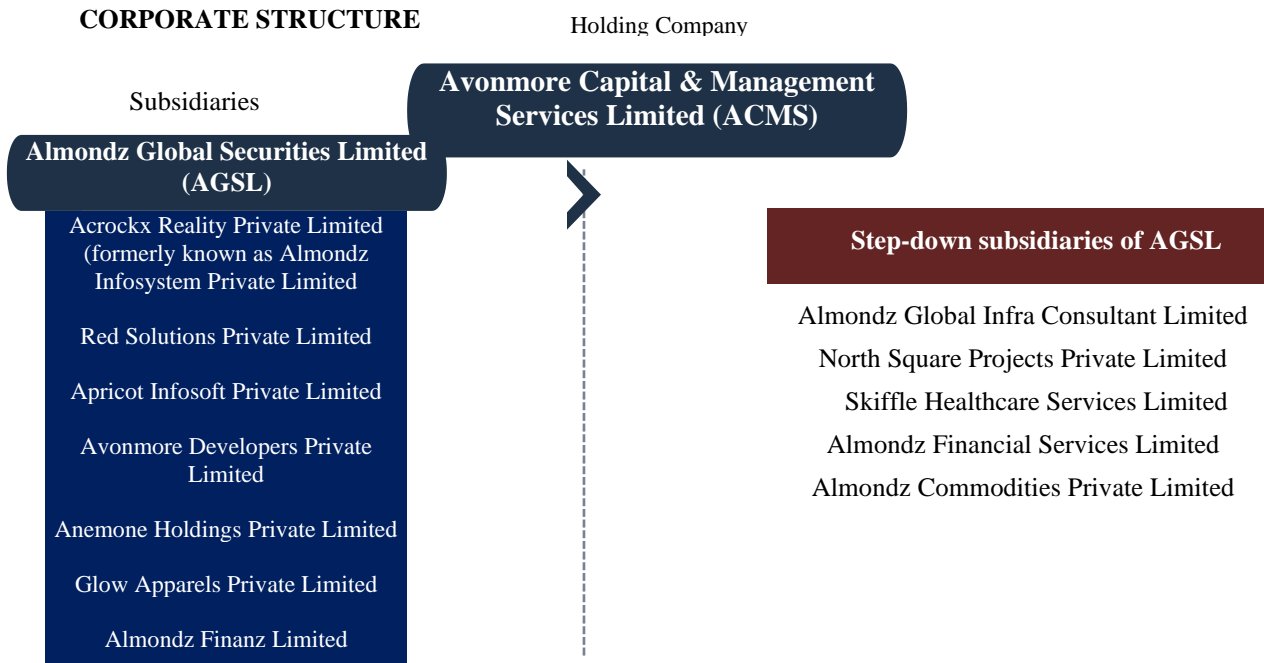
(b) Maintain and expand long-term relationships with clients.

Our Company believes in raising relationships built on trust, expertise and growth. We also believe in a conservative investment pattern and have committed client base for its services. The business model is based on client relationships that are established over a period of time. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers.

(c) Continue to attract, retain and develop human capital.

Our success depends on our team of employees, and we are implementing a number of measures to further strengthen our workforce and improve employee motivation and development. We will continue to provide employee compensation that is merit-based and benchmarked to Industry Overview. We also plan to continue to focus on training and development for our employees. We identify short- and long-term organizational capability requirements and establish training and development strategies and plans aligned to our business objectives.

CORPORATE STRUCTURE



Almondz Global Securities Limited (wholly-owned subsidiary of the Company)

Almondz Global Securities Limited (“AGSL”) is a financial services provider since 1994 which offers depository participant services, wealth management advisory and equity broking services. Almondz Global Securities Limited has floated different subsidiary and associate entities to serve the operational purpose of the group. The company is a member of:

- National Stock Exchange of India Limited (NSE)
- Bombay Stock Exchange Limited, (BSE)
- Central Depository Services (India) Ltd., (CDSL) (for depository services)

Step-down subsidiaries

The Company is involved in providing services under diversified sectors through its step-down subsidiaries. The diversified operational areas include financial services, infrastructure consultancy, green fuel manufacturing and healthcare services.

(i) Almondz Global-Infra Consultant Limited (step-down subsidiary of the Company)

Almondz Global Infra-Consultant Limited (AGICL) is an ISO 9001: 2015 certified company. AGICL is 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 and tunnels, smart cities, urban infrastructure, water and wastewater, tourism, railways and metro rail and geospatial services. 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 and maintenance services, which has helped AGICL to establish itself as high-tech engineering infra consultancy company.

(ii) Almondz Financial Services Limited (step-down subsidiary of the Company)

Almondz Financial Services Limited (AFSL) is a wholly owned subsidiary of AGSL and a financial services company which offers a broad range of financial products and services including investment banking, corporate advisory, valuation services, portfolio management services and research analyst to a varied client base including corporate, institutional, high net worth individuals and retail clients. The company has the following registration

with SEBI:

- SEBI registered Merchant Banker (SEBI Registration No. INM000012971)
- SEBI registered Research Analyst (SEBI Registration No. INH000012467)
- SEBI registered Portfolio Manager (SEBI Registration No. INP000008589)

(iii) North Square Projects Private Limited (*step-down subsidiary of the Company*)

North Square Projects Private Limited (NSPPL) is a wholly owned subsidiary of Almondz Global Securities Limited and as was promoted as a special purpose vehicle (SPV) to enter into a joint venture for carrying out the manufacturing grain-based fuel called ethanol through its distillery set-up in the name of Premier Green Innovations Private Limited (formerly Premier Alcobev Private Limited).

Premier Green Innovations Private Limited (formerly Premier Alcobev Private Limited) (*joint venture of subsidiary of the Company*)

Premier Green Innovations Private Limited (PGIPL) (formerly Premier Alcobev Private Limited) started its operations in 2015 with the objective of manufacturing and selling grain-based fuel called ENA/ethanol and other allied products. PGIPL has grain based distillery in Himachal Pradesh with 200 KLPD capacity. The plant is equipped to meet Zero Liquid Discharge (ZLD). PGIPL is FSSC 22000 (Version 4.1): ISO TS 22002- 1:2009 certified and is focused in ensuring total quality management. PGIPL is amongst the largest manufacturer of bio-ethanol in Himachal Pradesh. It currently uses rice husk as biomass to power its manufacturing plant. At present, PGIPL offers: (a) ethyl alcohol which is used in disinfectants, sanitizers, perfumes, homeopathic medicines etc.; (b) extra neutral alcohol for manufacturing of portable alcohol; (c) fuel ethanol for petrol blending by oil marketing companies; and (d) DDGS as animal/ poultry feed with high protein content. The company has initiated setting up a greenfield project for manufacturing and supply of fuel ethanol in the State of Odisha for capacity up to 250 KL per day to be able to increase ethanol supply and contribute to achieve the national targets of 10% blending. North Square Projects Private Limited holds 43.89% in this company whereas our Company holds 7.49%.

(iv) Almondz Commodities Private Limited (*step-down subsidiary of the Company*)

Almondz Commodities Private Limited is a subsidiary of AGSL. The company was incorporated for commodity trading. At present there has been no activity in the company.

(v) Skiffle Healthcare Services Limited (*step-down subsidiary of the Company*)

Skiffle Healthcare Services Limited (SHSL), wholly owned subsidiary of AGSL, was incorporated in December, 2012 with the main objective of setting up super-specialized eye care centres in and around Delhi/NCR. The centre is equipped to handle cataract, glaucoma, pediatric, neuroophthalmological, cornea and oculoplasty services.

Other subsidiary companies of our Company

I. Acrockx Reality Private Limited (formerly known as Almondz Infosystem Private Limited) (*subsidiary of the Company*)

Acrockx Reality Private Limited is a realtor community – the hub where real estate professionals and clients converge to revolutionize the way property transactions and financing are conducted. The platform is designed to empower realtors and clients with cutting-edge technology, making property buying, selling, and investing more efficient, transparent, and rewarding than ever before.

II. Avonmore Developers Private Limited (*wholly owned subsidiary of the Company*)

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. The company holds real estate properties located at Khata No. 102, Part of Khasra No. 533, Village Raunija, Pargana, Tehsil Jewar, District Gautam Budh Nagar, Uttar Pradesh having area of 7470 sq mtrs.

III. Apricot Infosoft Private Limited (*wholly-owned subsidiary of the Company*)

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.

IV. Anemone Holdings Private Limited (*wholly-owned subsidiary of the Company*)

The company has been formed with the object to carry on business of acquisition of shares and securities and act as a holding company by holding assets in the form of investment in equity shares, preference shares, bonds or debentures in its group company.

V. Red Solutions Private Limited (*wholly-owned subsidiary of the Company*)

The company is involved in sale and leasing of shops, showrooms, restaurants etc. The company has commercial property in its name situated at SF- 201A, Second Floor, Red Mall project Phase-I, Nehru Vikas Minar, Ghaziabad, U.P. measuring 1858 Sq Mt.

VI. Almondz Finanz Limited (*wholly-owned subsidiary of the Company*)

It 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, holding registration number N-14.03165. The company is primarily engaged in the business of providing short term to medium term loans viz. inter corporate loans, business loans, investments and trading in securities. The net worth of the company as at March 31, 2024 is ₹ 4723.11 lakhs

VII. Glow Apparels Private Limited (*wholly-owned subsidiary of the Company*)

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.

BUSINESS MODEL

Our Company is engaged in lending and advisory services. Our business model can be broadly classified into:

Lending business:

Our Company's business model is centered around lending activities (granting of loans & advances). As an NBFC, we operate in the business of providing loans to corporates and individuals. We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with it.

Investment business:

At Avonmore Capital Management Services Limited (ACMS), we plan to identify and invest in businesses that can grow over long time horizons and produce long-term value. This help to enhance shareholders' wealth.

We specialize in identifying scalable business models, create an execution-ready plan, invest our resources, monitor and implement the strategy and finally exit the business at a formidable value at an appropriate time.

The objective is to build businesses with potential to grow, create value, re-rate before we take full or part exit. Following broad principle of investment are followed:

- Sustainable business
- High growth in business
- High RoI business
- Competitiveness in the industry segment
- Ethical business

UTILITIES AND INFRASTRUCTURE FACILITIES

Our corporate office is equipped with computer systems/laptops, relevant software's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

COLLABORATIONS

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing this Draft Letter of Offer.

COMPETITION

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. Service quality, diversified product portfolio, technology, brand value, distribution network, etc. are key factors in client decisions. Our industry is fragmented consisting of large established players from India and foreign and also small niche players. We compete with organized as well as unorganized sector.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Due to its low average profitability, the CSR is not applicable on our Company. However, the Board of Directors has constituted a Corporate Social Responsibility Committee to undertake and supervise the CSR Activities of the Company. The CSR policy including the composition of the CSR committee is uploaded on our Company’s website www.avonmorecapital.in.

INSURANCE

We have not obtained any insurance policy as on the date of this Draft Letter of Offer.

INTELLECTUAL PROPERTY

The “Almondz” Trademarks bearing logo ,  and  is owned by our subsidiary company namely, Almondz Global Securities Limited and Almondz Global Infra-Consultant Limited. These trademark are registered under class 36 since 2007, 2008 & 2015, respectively. The Trademark application for the logo , has been applied for registration under class 9, 16, 35 & 36 by our Company on December 26, 2006, the status for the same has been mentioned as “Objected”. The company has filed another application of Trademark under class 9, 16, 35, 36, 42 & 45 for the logo  on December 15, 2022. The next date for further proceedings has been fixed for September 30, 2024.

OUR IMMOVABLE PROPERTIES

The brief details of some of the material properties owned/leased by our Company are set out below:

Sr. No.	Details of the properties	Owned/Rented	Purpose of usage
1.	Level-5, Grande Palladium,175,CST Road, Off BKC Kalina, Santacruz(E),Vidyanagari, Mumbai, Maharashtra- 400098	Since the premises is owned by our subsidiary viz. Almondz Global Securities Limited, we are operating after obtaining no objection from them.	Registered office
2.	F-33/3, Okhla Industrial Area, Phase-II, New Delhi-110020	Rented	Corporate office

OUR MANAGEMENT

OUR BOARD OF DIRECTORS

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than ten Directors. As on the date of this Draft Letter of Offer, our Board comprises of total 6 Directors, of which 1 Managing Director, 1 director is designated as Non-Executive Chairman & Director, 3 are Independent Directors and 1 Women Director. The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the details regarding our Board as on the date of this Draft Letter of Offer:

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
1.	Ashok Kumar Gupta Address: SFS 210, Pocket-B, Sarita Vihar New Delhi-110076, India. Designation: Managing Director Occupation: Service DIN: 02590928 Current Term: December 31, 2021 to December 30, 2026 Period of Directorship: Since December 31, 2011 Date of Birth: June 25, 1965 Nationality: Indian	59	1. Glow Apparels Private Limited 2. Anemone Holdings Private Limited 3. Acrokx Realty Private Limited 4. Red Solutions Private Limited 5. Sunlight Software Private Limited 6. Skiffle Healthcare Services Limited
2.	Ashu Gupta Address: 25 Third Floor, Madan Park East, Punjabi Bagh, New Delhi-110026 Designation: Non-Executive Women Director Occupation: Professional DIN: 00007836 Current Term: Since March 20, 2015 Period of Directorship: Since March 20, 2015 Date of Birth: December 23, 1969 Nationality: Indian	55	NIL

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
3.	<p>Ajay Kumar</p> <p>Address: C-6/57, 2nd Floor, St. Antony Sr. Secondary School, Safdarjung Development Area, Hauz khas, New Delhi-110016</p> <p>Designation: Non-Executive Independent Director</p> <p>Occupation: Professional</p> <p>DIN: 01954049</p> <p>Current Term: September 29, 2019 to September 28, 2024</p> <p>Period of Directorship: Since November 12, 2013</p> <p>Date of Birth: January 30, 1951</p> <p>Nationality: Indian</p>	73	<ol style="list-style-type: none"> 1. Almondz Finanz Limited 2. Almondz Global Securities Limited
4.	<p>Govind Prasad Agarwal</p> <p>Address: H. N. 8/29, 1st Floor, West Patel Nagar, New Delhi-110008</p> <p>Designation: Non-Executive Director & Chairman</p> <p>Occupation: Professional</p> <p>DIN: 00008429</p> <p>Current Term: Since March 19, 2007</p> <p>Period of Directorship: Since March 19, 2007</p> <p>Date of Birth: September 09, 1954</p> <p>Nationality: Indian</p>	70	<ol style="list-style-type: none"> 1. Margo Finance Limited 2. Rama Vision Limited 3. Rini Corporate Services Private Limited
5.	<p>Shyam Sunder Lal Gupta</p> <p>Address: C-51, Naraina Vihar, New Delhi-110028, India.</p> <p>Designation: Non-Executive Independent Director</p> <p>Occupation: Professional</p> <p>DIN: 00044635</p> <p>Current Term: September 29, 2019 to September 28, 2024</p> <p>Period of Directorship: Since July 30, 2008</p> <p>Date of Birth: September 28, 1933</p> <p>Nationality: Indian</p>	91	<ol style="list-style-type: none"> 1. Rama Vision Limited 2. Instapower Limited

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
6.	Bhupinder Singh Address: K-43 First Floor Kailash Colony, Greater Kailash New Delhi-110048 Designation: Non-Executive Independent Director Occupation: Professional DIN: 00062754 Current Term: September 27, 2019 to September 26, 2024 Period of Directorship: Since September 27, 2019 Date of Birth: July 10, 1939 Nationality: Indian	85	1. Panacea Biotech Limited 2. SMW Entertainers Private Limited

Relationship between Directors

None of the Directors are related to each other as per the provisions of Companies Act, 2013.

Details of directorship in companies suspended or delisted

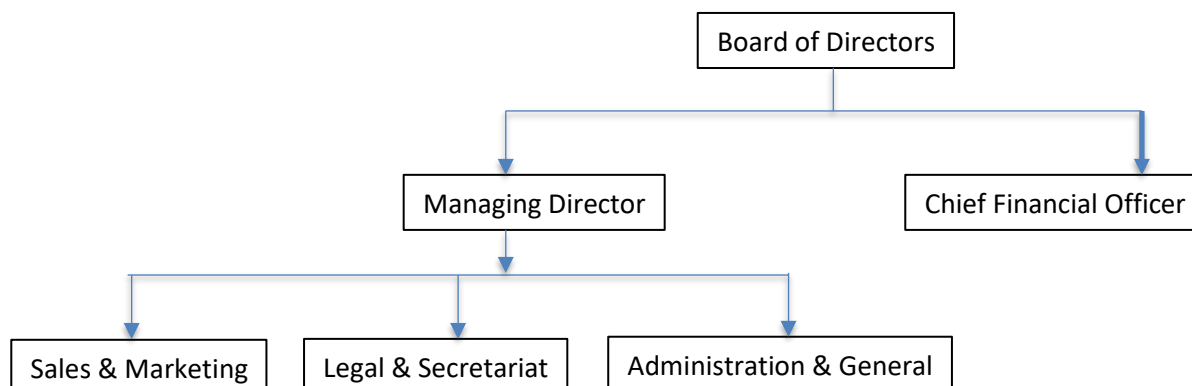
None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors is, or was director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company in the last ten years immediately preceding the date of filing this Draft Letter of Offer.

Our Key Management Personnel

Sr.No.	Name of Key Management Personnel / Senior Management Personnel	Designation
1.	Ashok Kumar Gupta	Managing Director
2.	Shakti Singh	Chief Financial Officer
3.	Sonal	Company Secretary & Compliance Officer

Management Organization Structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No	Details	Page Number
1.	Independent Auditor's Report on Consolidated Annual Financial Results for the year ended March 31, 2024, of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (as amended).	61-135

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

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 2024, 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 2024, 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 IndAS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated IndAS financial statements as a whole, and in forming our opinion thereon, and



A handwritten signature in blue ink, appearing to be "Mgc", written over the stamp.

we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matters	How our audit addressed the key audit matter
<p>1. IT systems and controls</p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter</p>	<p>We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • 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.



Mg

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 IndAS 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 IndAS 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 IndAS 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 IndAS 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 IndAS 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 cashflows 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 (IndAS) 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 IndAS 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 IndAS 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



A handwritten signature in blue ink, appearing to be 'Mgc', written over the stamp.

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, 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



Mgc

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, 2024 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 forth purpose of preparation of the consolidated IndAS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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



Mgc

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, 2024 has been paid / provided by the Holding Company, its subsidiaries and its associates to their directors in accordance with the provisions of section 197 read with Schedule V of the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements - Refer Note 48 to the consolidated IndAS financial statements.
- ii. The Group, and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024.
- 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, 2024.
- 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.



A handwritten signature in blue ink, appearing to be "Mg", written over a horizontal line.


- v. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

However, audit trail feature is not enabled for direct changes to database using certain access rights and related interfaces across the accounting software. Accordingly, we are unable to comment further with regard to the audit trail matters.

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
Membership Number-527863
UDIN: 24527863BKEGCC3627

Place: New Delhi
Date: 30-05-2024

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, 2024, we have audited the internal financial controls over financial reporting of **Avonmore Capital & Management Services Limited** (hereinafter referred to as the "holding company") and its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.



A handwritten signature in blue ink, appearing to be "Mg", written over a horizontal line.

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 2024, 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: 24527863BKEGCC3627

Place: New Delhi
Date: 30-05-2024

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

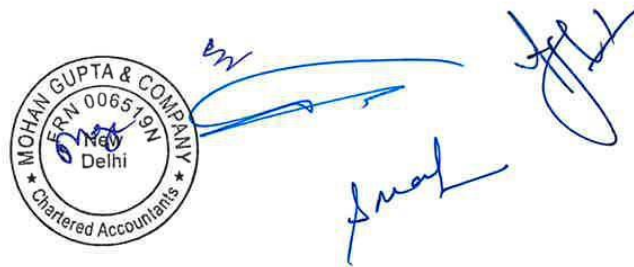
(i) Principles of consolidation

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:



A circular stamp for Mohan Gupta & Company, Chartered Accountants, Delhi, with ERN 006519N. The stamp is overlaid with handwritten signatures and blue ink scribbles.

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

Name of the Company	Date of Incorporation	Country of Incorporation	% of voting power held as at	
			March 31, 2024	March 31, 2023
Subsidiaries				
Almondz Global Securities Limited	June 28, 1994	India	56.60%	58.45%
Acrokx Reality Private Limited	December 31, 2012	India	60%*	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%*
Almondz Finanz Limited (w.e.f. 1st January 2024)	May 12, 2006	India	100%*	---
Associates				
Willis Towers Watson India Brokers Private Limited (Till 7 th April 2022)	December 06, 1996	India	---	26%
Almondz Insolvency Resolutions Services Private Limited	October 4, 2017	India	33.33%	33.33%
Premier Alcobev Private Limited	May 25, 2007	India	48.46%*	48.78%*
* 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, 2024 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, 2024 were authorised and approved for issue by the Board of Directors on May 30, 2024.

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.



Amal

[Signature]

[Signature]

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

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



Smay *3*  

whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contract.

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

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

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

Significant estimates

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

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on several underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these 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



[Handwritten signatures and initials in blue ink]

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

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
Building



Handwritten signature
Handwritten signature

Useful life
60 years

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

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

[Handwritten signatures in blue ink]

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

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



3

Avonmore Capital & Management Services Limited

Notes to the consolidated financial statements for the year ended March 31, 2024

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



Small

m

[Signature]

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

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.



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

(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.



Smad
[Signature]

(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.



Smriti  

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

De-recognition of financial assets

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

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

First loss default guarantee

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

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

- The amount of loss allowance calculated as described in policy for impairment of financial assets)



A handwritten signature in blue ink, appearing to be "S. Mohan".

A handwritten signature in blue ink, appearing to be "S. Mohan".

Avonmore Capital & Management Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

• 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. There is no such notification which would have been applicable from 1st April 2024.



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

Avonmore Capital & Management Services Limited
Consolidated Balance Sheet as at March 31, 2024
(All amounts are in Rupees in Lac, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	3	1,296.56	1,975.32
Bank balances other than above	4	90.39	57.78
Receivables			
Trade receivables	5	6,864.34	3,499.40
Other receivables	6	44.07	144.00
Inventories	7	1,177.06	5,056.62
Loans	8	9,729.28	10,629.75
Investments	9	5,798.44	1,553.28
Investment in associates accounted by using equity method	55	8,347.94	7,496.60
Other financial assets	10	5,825.82	3,174.89
		39,173.90	33,587.64
Non-financial assets			
Inventories	11	2.51	3.98
Current tax assets	12	261.76	321.45
Deferred tax assets	13	462.45	525.59
Property, plant and equipment	14	1,485.00	1,182.11
Investment property	15	4,715.24	4,924.92
Goodwill	16	37.43	37.43
Other intangible assets	17	58.96	16.64
Intangible assets under development	18	187.53	7.25
Right-of-use assets	19	798.98	219.99
Other non-financial assets	20	4,682.89	3,477.07
		12,692.75	10,716.43
Total Assets		51,866.65	44,304.07
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables			
- to micro and small enterprises	21	-	-
- to others		1,531.96	611.64
Other payables	22	4,062.06	1,565.37
Borrowings other than debt securities	23	1,414.39	2,407.23
Lease liabilities	24	844.93	238.70
Other financial liabilities	25	3,595.88	2,480.84
		11,449.22	7,303.78
Non-financial liabilities			
Income tax liabilities	26	59.70	0.46
Deferred tax liabilities	27	7.49	8.04
Provisions	28	286.28	256.31
Other non-financial liabilities	29	663.86	459.09
		1,017.33	723.90
Equity			
Equity share capital	30	2,400.40	2,400.40
Other equity	31	27,757.12	25,418.86
Non-controlling interest		9,242.58	8,457.13
		39,400.10	36,276.39
Total Liabilities and Equity		51,866.65	44,304.07

Summary of significant accounting policies 1 & 2
The accompanying notes form an integral part of these financial statements.

Per our report of even date
Chartered Accountants

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

Himanshu Gupta
Partner
Membership No.: 527863
UDIN - 24527863BKEGCC3627



Place: New Delhi
Date: 30 May, 2024

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

Avonmore Capital & Management Services Limited
Consolidated Profit and Loss for the year ended March 31, 2024
(All amounts are in Rupees in Lac , unless otherwise stated)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations			
Interest income	32	1,149.53	1,117.23
Dividend income	33	18.52	6.45
Fees and commission income	34	9,577.07	6,259.69
Net gain on fair value changes	35	237.82	-42.55
Other operating income	36	1,372.29	13,790.37
		12,355.23	21,131.19
Other income	37	344.18	348.80
		344.18	348.80
Total Income		12,699.41	21,479.99
Expenses			
Finance costs	38	354.25	310.48
Fees and commission expense	39	4,923.88	3,024.99
Impairment on financial instruments	40	30.08	-77.17
Employee benefits expenses	41	3,265.12	2,446.31
Depreciation and amortisation	42	375.87	226.11
Other expenses	43	2,411.01	1,611.14
Total Expenses		11,360.21	7,541.86
Profit before share of net profit		1,339.20	13,938.13
Exceptional Items		-	-
Share of net profit of associates	55	848.00	1,433.71
Profit before tax		2,187.20	15,371.84
Tax expense			
Income tax	57	277.51	3,189.95
Income tax for earlier years	57	7.92	-15.97
MAT credit/(entitlement)	57	3.07	13.25
Deferred tax charge	57	-109.36	-1.20
		179.14	3,186.03
Profit after tax		2,008.06	12,185.81








Avonmore Capital & Management Services Limited
 Consolidated Profit and Loss for the year ended March 31, 2024
 (All amounts are in Rupees in Lac, unless otherwise stated)

Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Other comprehensive income		
Items that will not be reclassified to profit or loss		
-> Re-measurement gain / loss on defined benefit plans	23.16	10.72
-> Changes in fair value gain / (loss) of FVOCI equity instruments	827.86	35.35
-> Income tax relating to items that will not be reclassified to profit or loss	-98.11	-8.40
Other comprehensive income for the year	752.91	37.68
Total comprehensive income	2,760.97	12,223.48
Profit attributable to:		
Owners of company	1,240.61	11,544.96
Non-controlling interest	767.45	640.84
	2,008.06	12,185.80
Other comprehensive income attributable to:		
Owners of company	734.91	22.03
Non-controlling interest	18.00	15.65
	752.91	37.68
Total comprehensive income attributable to:		
Owners of company	1,975.52	11,566.99
Non-controlling interest	785.45	656.49
	2,760.97	12,223.48
Earnings per equity share (in Rs.):		
-Basic and diluted earning per share	44	48.84
	5.31	48.84
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. 000006519N
 New Delhi
 Himanshu Gupta
 Partner
 Membership No.: 527863
 UDIN - 24527863BKEGCC3627



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

Place: New Delhi
 Date: 30 May, 2024

A. Equity Share capital	
Balance as at April 1, 2022	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 2022-23	-91.77
Balance as at March 31, 2023	2,400.40
Changes In Equity Share Capital due to prior period errors	-
Restated balance at the beginning of current reporting period	2,400.40
Change in equity share capital during 2023-24	-
Balance as at March 31, 2024	2,400.40

B. Other equity

Particulars	Attributable to equity holders of the holding company										Total	Attributable to non-controlling interests
	Reserves & surplus							Items of other comprehensive income				
	Securities premium	Special reserve	Capital reserve	ESOP reserve	Retained earnings	Capital Redemption Reserve	Share Application Money	Other adjustments on disposal & consolidation	Gain on Equity instruments through other comprehensive income	Remeasurement of defined benefit obligation		
Balance as at April 1, 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	-	-	-	-	-	-	-	-	-	-	-	-89.98
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	7,800.64
Profit for the year	-	-	-	-	11,544.96	-	-	-	-	-	11,544.96	-
Other comprehensive income	-	-	-	-	-	-	-	-	13.61	22.03	35.64	-
Total comprehensive income for the year	-	-	-	-	11,544.96	-	-	-	13.61	22.03	11,580.60	-
Adjustments during the year	-	-	-	101.84	-91.77	91.77	20.50	-4,417.21	-	-	-4,294.87	656.49
Transfer from retained earnings	-	416.75	-	0	-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	13.61	112.49	25,418.86	8,457.13
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of previous reporting period	2,564.18	1,431.68	3,905.00	263.13	21,433.70	91.77	20.50	-4,417.21	13.61	112.49	25,418.86	-
Profit for the year	-	-	-	-	1,240.61	-	-	-	-	-	1,240.61	-
Other comprehensive income	-	-	-	-	-	-	-	-	105.64	734.91	840.55	-
Total comprehensive income for the year	-	-	-	-	1,240.61	-	-	-	105.64	734.91	2,081.16	-
Adjustments during the year	-	-	175.00	102.60	-1,200.00	1,200.00	-20.50	-	-	-	257.10	785.45
Transfer from retained earnings	-	24.32	-	-	-24.32	-	-	-	-	-	-	-
Balance as at March 31, 2024	2,564.18	1,456.00	4,080.00	365.73	21,449.99	1,291.77	-	-4,417.21	119.25	847.40	27,757.12	9,242.58

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. 006938
 New Delhi
 Himanshu Gupta
 Partner
 Membership No.: 527863
 UDIN - 24527863BKEGCC3627

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

Ashok Kumar Gupta
 Managing Director
 DIN: 02590925

Sonal
 Company Secretary
 ACS: A57027

Govind Prasad Agrawal
 Director
 DIN: 00008429

Shakti Singh
 Chief Financial Officer
 PAN: BKMP56127D

Place: New Delhi
 Date: 30 May, 2024

Avonmore Capital & Management Services Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in Rupees in Lac , unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before tax	2,187.20	15,371.84
Adjustments for:		
Depreciation and amortisation of property, plant and equipment and intangibles	225.60	191.46
Provision for employee benefits	61.00	55.93
Dividend	-18.52	-6.45
Impairment on financial instruments	30.08	-77.17
ESOP reserve	102.60	101.84
Net gain on fair value changes	-237.82	42.55
Loss/(Gain) on sale of investment in shares	0.17	19.51
Provision for loss on error trades	0.78	53.35
Liabilities written back	-36.91	-33.44
Provisions written back	-6.59	-1.87
Interest received on income tax refund	-21.04	-25.21
Impact of Lease Liability/Right to use asset (including related Interest & Amortisation Cost)	27.24	-90.61
Finance costs	354.25	310.48
Balance written off	487.71	384.82
Share of profit in associate	-848.00	-1,433.71
Operating profit before working capital changes	2,307.75	14,863.33
Movement in working capital		
Decrease/(increase) in trade and other receivables	-3,782.80	-67.23
(Increase) in loan	900.47	-3,418.34
Decrease/(increase) in other bank balances	-32.61	83.63
Decrease/(increase) in other financial assets	-2,650.93	-381.66
Decrease/(increase) in inventories	3,881.03	-4,307.19
Decrease/(increase) in other non-financial assets	-1,205.82	-95.46
Increase/(decrease) in trade and other payables	3,453.92	-764.13
Increase/(decrease) in other financial liabilities	1,115.04	-805.98
Increase/(decrease) in other non-financial liabilities	204.77	114.07
Increase/(decrease) in provisions	-2.06	-86.00
Cash generated from/ (used in) operations	4,188.76	5,135.04
Less: Income Tax Paid (net of refunds)	58.78	-3,330.52
Net cash inflow from/ (used in) operating activities (A)	4,247.54	1,804.52
B Cash flows from investing activities		
(Payments for)/proceeds from property, plant and equipment, intangible assets and CWIP	-679.08	-301.49
(Payments for)/proceeds from investment property	137.68	141.40
Receipt of interest	21.04	25.21
Dividend Income	18.52	6.45
Investments made	-3,077.35	-1,630.28
Net cash inflow from/ (used in) investing activities (B)	-3,579.19	-1,758.72
C Cash flows from financing activities		
Finance cost	-354.25	-310.48
Buy Back of Shares	-	-1,070.56
Proceeds from borrowings (net)	-992.84	1,162.27
Net cash inflow from/ (used in) financing activities (C)	-1,347.09	-218.77
Net increase (decrease) in cash and cash equivalents (A+B+C)	-678.74	-172.97
Cash and cash equivalents at the beginning of the year	1,975.32	2,148.29
Cash and cash equivalents at the end of the year	1,296.58	1,975.32



Amal

Shakun

Sh

Avonmore Capital & Management Services Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in Rupees in Lac, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
--	---	---

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	64.76	34.48
- Balances with banks in current account	1,231.81	1,940.83
Cash and bank balances at end of the year	1,296.56	1,975.32

- (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 63.

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 - 24527863BKEGCC3627

Place: New Delhi
Date: 30 May, 2024



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

3 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	64.76	34.48
Balances with banks		
-Balance with banks in current accounts	1,231.81	1,940.83
	<u>1,296.56</u>	<u>1,975.32</u>

4 Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Term deposits with remaining maturity more than 3 months upto 12 months	90.39	57.78
	<u>90.39</u>	<u>57.78</u>

6 Other receivables

	As at March 31, 2024	As at March 31, 2023
From Others		
Other receivables	44.07	144.00
	<u>44.07</u>	<u>144.00</u>

7 Inventories

	As at March 31, 2024	As at March 31, 2023
At fair value through profit or loss		
Equity shares - quoted	-	104.98
Bonds	1,177.06	4,951.64
	<u>1,177.06</u>	<u>5,056.62</u>



Small

Handwritten signature

Handwritten signature

5 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Secured, Undisputed and considered good Receivables	2,383.12	813.19
Unsecured, Undisputed and considered good Receivable for fees, commission and others	3,953.96	2,206.32
Interest accrued on -Loans	767.59	690.18
Less: Allowance for impairment	-240.33	-210.28
	6,864.34	3,499.40

Footnotes:

- (i) Trade receivable are normally received within the group's operating cycle.
(ii) The group's exposure to credit and risk and loss allowances related to trade receivables are disclosed in note 52.

Trade Receivables ageing schedule on 31 March 2024

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	793.96	5,671.13	147.98	242.79	78.00	170.81	-240.33	6,864.34
(ii) Undisputed Trade Receivables – credit impaired								
(iii) Disputed Trade Receivables–considered good								
(vi) Disputed Trade Receivables – credit impaired								-
Total	793.96	5,671.13	147.98	242.79	78.00	170.81	-240.33	6,864.34

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



Handwritten signatures and initials in blue ink.

8 Loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to		
-Staff	35.60	73.58
-Related parties	1,277.12	732.77
-others	8,416.56	9,826.82
Less: Impairment loss allowance	-	-3.42
	<u>9,729.28</u>	<u>10,629.75</u>
Out of the above		
Loans in India		
-Public sector	-	-
-Others	9,729.28	10,633.17
Less: Impairment loss allowance	-	-3.42
Total in India	<u>9,729.28</u>	<u>10,629.75</u>
Loans outside India	-	-



[Handwritten signatures in blue ink]

9 Investments

	As at March 31, 2024	As at March 31, 2023
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
Abans Holdings	85.44	-
Ashapura Min	101.39	-
Data Patterns (I)	9.20	-
Dynamatic Techno	9.69	-
Expleo Solutions	25.47	-
Gitanjali Gems	0.10	-
Lloyds Enterprise	161.54	-
Lloyds Metals	90.44	-
Maharash Seam	59.66	-
Mazagon Dock Ship	8.84	-
Praveg Limited	592.95	-
Reliance Power	34.72	-
Rossell India	7.77	-
Sula Vine	275.45	-
Swan Ener	98.63	-
Valiant Labor	29.57	-
Valor Estate Ltd	354.06	-
Balrampur Chini Mills	3.62	-
Himadri Chemical & Ind	10.09	-
Sunflag Iron	2.09	-
Shipping Corporation	19.25	-
Valiant Labor	-	-
Ashapura Minechem Ltd.	1.50	-
Transformers And Rectifiers (India) Ltd.	19.75	-
Unitech Limited	-	2.30
Less: Impairment loss allowance	-44.70	-44.70
Total - A	2,001.21	2.30
B. Investment in shares and securities (Quoted) (At fair value through OCI)		
Investment in Mutual Funds		
ICICI Prudential Technology Fund	36.81	19.32
Tata Digital India Fund	16.53	12.27
Aditya Birla Sunlife Mutual Fund	14.24	63.64
Motilal Oswal Nifty 50 Index Fund	-	27.11
Nippon India Index Fund - Mutual Fund	37.93	29.34
Icici Prudential Mutual Fund	50.41	47.53
Investment in securities (Quoted) (At fair value through OCI)		
Aksh Optifiber Limited	-	35.91
Aptech Limited	-	36.17
IRB Invit Fund	-	67.74
Apollo Pipes Limited	31.79	65.78
Irb Invit Fund	-	57.49
Jbf Industries Limited	1.83	1.35
Maharashtra Seamless Limited	1,335.42	588.84
Taal Enterprises Limited	100.89	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 Technologies 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	1,625.84	1,144.59



[Handwritten signature]

[Handwritten signature]

C. Investment in equity instruments (Unquoted) (At fair value through Profit or loss)

Dijit Prognosys Private Limited	3.00	3.00
Network 1 Media Consultant Pvt. Ltd.	30.00	30.00
Globus Industries & Services Ltd.	1.00	1.00
Shiivaz 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	100.00
Premier Alcobev Private Ltd. - Share Warrants	1,764.99	-
Premier Alcobev Private Limited	-	-
	<u>2,191.93</u>	<u>426.94</u>
Less: Impairment loss allowance	-36.00	-36.00
Total - C	<u>2,155.93</u>	<u>390.94</u>

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	15.44
Total - E	<u>15.44</u>	<u>15.44</u>

Total (A+B+C+D)

5,798.43	1,553.28
-----------------	-----------------

Out of the above

In India	5,798.43	2,553.28
Outside India	-	-
	<u>5,798.43</u>	<u>2,553.28</u>



10 Other financial assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits		
-Rented premises	17.57	3.61
-Deposits with stock exchanges	2,659.84	285.75
-Others	1,670.16	1,770.20
Less: Impairment loss allowance	-	-
Receivable on account of sale of shares	92.95	92.95
Interest accrued on		
-Fixed deposits	79.04	37.10
-Bonds and securities	2.48	37.90
Term deposits with remaining maturity more than 12 months	1,287.92	944.03
Unbilled debtors	15.85	3.35
	5,825.82	3,174.89

The group's exposure to credit risk is disclosed in note 52.

11 Inventories

	As at March 31, 2024	As at March 31, 2023
At cost		
Consumables	2.51	3.98
	2.51	3.98

12 Current tax assets

	As at March 31, 2024	As at March 31, 2023
Current tax assets	261.76	321.45
	261.76	321.45

13 Deferred tax assets

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (refer note 57)	406.54	394.63
MAT credit entitlement	55.91	130.97
	462.45	525.59

...Space intentionally left blank...



Sonali

[Signature]

[Signature]

14 Property, plant and equipment

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 1, 2023	For the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2024
Furniture and fixtures	36.25	45.15	-	81.40	16.90	5.99	-	22.89	58.51
Computers and peripherals	139.81	114.37	8.81	245.37	78.76	32.73	1.68	109.81	135.57
Office equipment	87.51	56.15	-	143.66	45.97	12.38	-	58.35	85.31
Vehicle	208.52	68.23	62.46	214.29	61.00	20.07	56.91	24.16	190.13
Leasehold improvements	91.47	43.79	-	135.26	53.23	8.35	-	61.58	73.67
Plant and Machinery	959.23	143.06	11.55	1,090.74	171.59	68.49	4.98	235.10	855.64
Office buildings	30.34	-	-	30.34	3.01	0.60	-	3.61	26.73
Land	59.44	-	-	59.44	-	-	-	-	59.44
Total	1,612.58	470.75	82.82	2,000.51	430.46	148.61	63.57	515.50	1,485.00

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

Footnotes:

- (i). The group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2024 and March 31, 2023.
- (ii). Please refer note 46 for capital commitments.
- (iii). There are no impairment losses recognised during the year.
- (iv). There are no exchange differences adjusted in Property, Plant & Equipment.



[Handwritten signature]

[Handwritten signature]

...Space intentionally left blank...

[Handwritten mark]

15 Investment property

	As at March 31, 2024	As at March 31, 2023
A. Reconciliation of carrying amount		
Cost or deemed cost		
Opening balance	5,305.38	5,371.83
Additions/(deletions) during the year	-137.68	-66.45
Total carrying amount	5,167.70	5,305.38
Accumulated depreciation		
Opening balance	380.46	305.97
Depreciation during the year	72.01	74.49
	452.46	380.46
Total carrying amount	4,715.24	4,924.92
B. Amounts recognised to the Statement of profit and loss		
	As at March 31, 2024	As at March 31, 2023
Rental Income	194.42	232.34
Profit from investment properties before depreciation	194.42	232.34
Depreciation expense	-72.01	-74.49
Profit from investment property	122.41	157.85
C. Measurement of fair value		
	As at March 31, 2024	As at March 31, 2023
Investment property	8,772.76	6,943.81
	8,772.76	6,943.81

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 203-24, 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.

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

16 Goodwill

	As at March 31, 2024	As at March 31, 2022
Goodwill	37.43	37.43
	37.43	37.43



Sonal

[Signature]

17 Other intangible assets

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 1, 2023	For the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2024
Computer software	81.00	47.35	-	128.35	65.08	4.93	-	70.01	58.34
Website design	0.97	-	-	0.97	0.47	0.10	-	0.57	0.40
Trade mark in process	0.22	-	-	0.22	-	-	-	-	0.22
Total	82.19	47.35	-	129.54	65.55	5.03	-	70.58	58.96

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
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

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, 2024 and March 31, 2023.
- (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.



[Handwritten signature]

[Handwritten signature]

...Space intentionally left blank...

15

18 Intangible assets under development

	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	187.53	7.25
	187.53	7.25

Intangible assets under development Aging Schedule as on 31 March 2024

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 and Broking Software*	180.28	7.25	-	-
Total	180.28	7.25	-	-

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

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	7.25	-	-	-
Total	7.25	-	-	-



Avonmore Capital & Management Services Limited
 Notes to consolidated financial statements for the year ended March 31, 2024
 (All amounts are in Rupees in Lac , unless otherwise stated)

19 Right-of-use assets

	As at March 31, 2024	As at March 31, 2023
Right-of-use assets (refer note 49)	798.98	219.99
	<u>798.98</u>	<u>219.99</u>

20 Other non-financial assets

	As at March 31, 2024	As at March 31, 2023
Balances with government authorities	285.93	171.57
Advances for rendering services	64.82	39.22
Accrued income	22.20	44.18
Other advances	105.09	138.58
Service work in progress	504.00	264.86
Contract assets	1,111.17	298.36
Prepaid expenses	214.94	145.39
Capital advances for property	2,374.55	2,374.55
Prepaid lease rent	0.20	0.38
	<u>4,682.89</u>	<u>3,477.07</u>

Handwritten signatures in blue ink.



...Space intentionally left blank...

21 Trade payables

	As at March 31, 2024	As at March 31, 2023
Trade payables	-	-
- to micro and small enterprises (refer note 50)	1,531.96	611.64
- to others	1,531.96	611.64

Trade Payables ageing schedule on 31 March 2024

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	741.25	3.57	-	2.97	747.79
(ii) Others	757.84	15.02	5.42	5.89	784.17
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	1,499.09	18.59	5.42	8.86	1,531.96

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



[Handwritten signatures and initials]

22 Other payables

	As at March 31, 2024	As at March 31, 2023
Due to clients	4,062.06	1,565.37
	<u>4,062.06</u>	<u>1,565.37</u>

23 Borrowings other than debt securities

	As at March 31, 2024	As at March 31, 2023
Secured loans		
From banks		
-Term loan (refer footnote)	188.76	261.54
-Vehicle loan (refer footnote)	72.67	87.42
-Overdrafts (refer footnote)	782.98	530.91
Unsecured loans		
From others (refer footnote)	369.98	1,527.36
Total borrowings	<u>1,414.39</u>	<u>2,407.23</u>

Foot Notes :-

(i) Details of term loans

- a Term loan by AGICL from Bank of Baroda for NSV Machine Loan sanctioned by bank for import of machine amounting Rs. 321 Lacs, disbursement amount upto 31.03.2022 is Rs. 193.26 Lacs and balance disbursement is made on April 2022 amounting Rs.127.74 Lacs. 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. 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.
- b Term loan by AGICL from Bank also includes loan from HDFC bank which is repayable in 47 equated monthly installments from October 2020 and hypothecated against vehicle purchased. The last installment is due on 05-08-2024. The interest rate is 9.00 % p.a.
- c Term loan by AGICL from Tata Capital Financial services Limited for Equipment loan which is repayable in 48 equated monthly installments (from December 2023 and hypothecated against equipment purchased. The last installment is due on 10-10-2027. The interest rate is 11.00 % p.a.

(ii) Details of vehicle loans

- a Vehicle loan by AGSL from HDFC Bank - for Lexus Car is taken on 03.06.2022 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 07-06-2027. The interest rate is 7.30 % p.a.
- b Vehicle loan by AGSL from Axix Bank - for Vitara Car is taken on 31.12.2023 amounting Rs. 15.00 lac- repayable in 39 equated monthly installment of Rs. 0.45 lac from Jan 2024 and hypothecated against vehicle purchased. The last installment is due on 005-03-2027. The interest rate is 9.25% p.a.
- c Vehicle loan by AGICL from Bank of Baroda- for Scorpio Car is taken on 07.02.2022 amounting Rs. 14.20 Lacs- 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.
- d Vehicle loan by AGICL from HDFC bank which is repayable in 47 equated monthly installments from October 2020 and hypothecated against vehicle purchased. The last installment is due on 05-08-2024. The interest rate is 9.00 % p.a.

(iii) Details of overdraft from banks

- a Overdraft limit by AGSL of Rs. 14.71 lac (previous year Rs.54.76 lac) is secured by way of pledged fixed deposits with IDBI Bank Limited, the rate of interest of which is 8.15% per annum.
- b Overdraft limit by AGSL of Rs. 4.72 lac (previous year Rs. Nil lacs) is secured by way of pledged fixed deposits with Vijaya Bank, the rate of interest of which is 8.5% per annum.
- c Overdraft limit by AGSL of Rs. 281.87 lac (previous year Rs. Nil lacs) is secured by way of pledged securities / fixed deposits with Axis Bank, the rate of interest of which is 8.5% per annum.
- d Overdraft facility from Bank of Baroda by AGICL payable on demand against fixed deposit of Rs.5.60 lac. The sanctioned limit is Rs.5.00 Lac and interest rate is 8.50% p.a.
- e Cash Credit facility of Rs.496.37 lac by AGICL from Union Bank of India is secured against hypothecation of Book Debts. This facility is secured against collateral security of property at 501, 5th floor, north section in building known as 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) Details of loan from others

Loan of Rs.300 lac from others represents loan from "Vision Distribution" which carries an interest rate of 11% p.a. and is repayable on demand.

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.



Amal

24 Lease liabilities

	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note 49)	844.93	238.70
	<u>844.93</u>	<u>238.70</u>

25 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Interest accrued on borrowings	591.30	542.69
Security deposits	168.67	125.48
Payables for property, plant and equipment	-	50.20
Payable for purchase of investments	25.06	8.52
Other payable	2,468.84	1,516.80
Employee related payables	342.00	237.15
	<u>3,595.88</u>	<u>2,480.84</u>

26 Income tax liabilities

	As at March 31, 2024	As at March 31, 2023
Income tax liabilities	59.70	0.46
	<u>59.70</u>	<u>0.46</u>

27 Deferred tax liabilities

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (refer note 57)	7.49	8.04
	<u>7.49</u>	<u>8.04</u>

28 Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity	221.77	191.63
Provision for compensated absences	34.27	33.08
Other provisions		
Contingent provisions for standard assets	30.24	31.61
	<u>286.28</u>	<u>256.31</u>

29 Other non-financial liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	663.86	457.74
Deferred income	-0.00	1.34
	<u>663.86</u>	<u>459.09</u>



30 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised	3,000.00	3,000.00
3,00,00,000 equity shares of Rs. 10 each	<u>3,000.00</u>	<u>3,000.00</u>
Issued, subscribed and fully paid-up		
2,33,53,220 (PY 2,33,53,220) equity shares of Rs. 10 each	2,400.40	2,492.17
Add: Issued during the year	-	-
Less: Shares Extinguished on Buy Back	-	-91.77
	<u>2,400.40</u>	<u>2,400.40</u>

a). Terms and rights attached to equity shares

Voting

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

Dividends

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

During the year ended March 31, 2024, 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, 2024		Year ended March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of year	2,33,53,220	2,335	2,42,70,900	2,427.09
Less: Share Buyback	-	-	(9,17,680)	-91.77
Outstanding at the end of the year	<u>2,33,53,220</u>	<u>2,335.32</u>	<u>2,33,53,220</u>	<u>2,335.32</u>
Add: Shares forfeited	13,79,380	65.08	13,79,380	65.08
Total Outstanding at the end of the year	<u>2,47,32,600</u>	<u>2,400.40</u>	<u>2,47,32,600</u>	<u>2,400.40</u>

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Innovative Money Matters Private Limited	91,86,975	39.34%	91,66,629	39.25%
Navjeet Singh Sobti	22,24,449	9.53%	21,90,233	9.38%
Rakam Infrastructures Private Limited	45,73,038	19.58%	45,73,038	19.58%

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, 2024 and as at March 31 2023 are as follows :

S. No	Name of the Promoter Group	No. of shares held 31.03.2024		No. of shares held 31.03.2023		% Change during the year
		No. of shares	% Holding	No. of shares	% Holding	
1	Navjeet Singh Sobti	22,24,449	9.53%	21,90,233	9.38%	1.56%
2	Gurpreet Singh Sobti	1,68,406	0.72%	1,68,406	0.72%	0.00%
3	Rakam Infrastructures Pvt Ltd	45,73,038	19.58%	45,73,038	19.58%	0.00%
4	Innovative Money Matters Pvt Ltd	91,86,975	39.33%	91,66,629	39.25%	0.22%

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

Particulars	No. of stock options	
	Year ended March 31, 2024	Year ended March 31, 2023
From Series A to Series F	-	-
Series G	39,00,000	39,00,000
Series H	3,00,000	3,00,000
Series I	12,10,000	12,10,000
Series J	2,50,000	-



Navjeet Singh Sobti

[Signature]

[Signature]

31 Other Equity

	As at March 31, 2024	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	1,431.68	1,014.92
Additions during the year	24.32	416.75
Balance at end of the year	1,456.00	1,431.68
c). Capital reserve		
Balance at beginning of the year	3,905.00	3,905.00
Addition/(deletion) during the year	175.00	-
Balance at end of the year	4,080.00	3,905.00
d). Employee stock option reserve		
Balance at beginning of the year	263.13	161.29
Additions during the year	102.60	101.84
Balance at end of the year	365.73	263.13
e). Retained earnings		
Balance at beginning of the year	17,016.49	10,397.27
Add: Profit/(loss) for the year	1,240.61	11,544.96
Less: Transfer to special reserve	-24.32	-416.75
Less: Disposal effect	-	-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	-1,200.00	-91.77
Less: Consolidation Adjustment	-	-
Balance at end of the year	17,032.78	17,016.49
f). Capital Redemption Reserve		
Balance at beginning of the year	91.77	-
Additions during the year	1,200.00	91.77
Balance at end of the year	1,291.77	91.77
g). Other comprehensive income		
Balance at beginning of the year	126.11	90.46
Add: Other comprehensive income for the year	734.91	22.03
Add: Gain on equity instruments through OCI for the year	105.64	13.62
Balance at end of the year	966.66	126.11
i). Share Application Money		
Balance at beginning of the year	20.50	-
Additions during the year	-	20.50
Deletions during the year	-20.50	-
Balance at end of the year	-	20.50
Total Other equity	27,757.12	25,418.86




Amay

[Signature]

[Signature]

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 Company has an equity-settled share-based payment plans for to eligible employee of the Company, its subsidiaries and its holding company .
- 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
- 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.


The stamp is circular with the text "MOHAN GUPTA & COMPANY" around the top edge and "Chartered Accountants" around the bottom edge. In the center, it says "FRN 006519N" and "Delhi". There is a handwritten signature in blue ink over the stamp.

32 Interest income

	For the year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
-loans	988.07	1,003.50
-bank deposits	129.64	99.25
-fixed deposits with stock exchanges	31.82	14.48
	1,149.53	1,117.23

33 Dividend income

	For the year ended March 31, 2024	Year ended March 31, 2023
Dividend income	18.52	6.45
	18.52	6.45

34 Fees and commision income

	For the year ended March 31, 2024	Year ended March 31, 2023
Advisory and consulting activities	7,978.90	5,167.22
Broking and Distribution activities	1,598.17	1,092.47
	9,577.07	6,259.69

35 Net gain / loss on fair value changes

	For the year ended March 31, 2024	Year ended March 31, 2023
On financial instruments designated at fair value through profit or loss	237.82	-42.55
	237.82	-42.55

36 Other operating income

	For the year ended March 31, 2024	Year ended March 31, 2023
On trading portfolio		
-Shares	117.92	-31.88
-Securities/bonds	451.29	1,129.17
-Derivatives	95.20	-38.45
Profit on sale of investment	645.14	12,707.80
Delayed payment charges	62.73	23.73
	1,372.29	13,790.37



Avonmore Capital & Management Services Limited
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees in Lac , unless otherwise stated)

37 Other income

	For the year ended March 31, 2024	Year ended March 31, 2023
Liabilities written back	36.91	33.44
Provisions written back	6.59	1.87
Rental income	194.42	232.34
Interest income on income tax refund	21.04	25.21
Miscellaneous income	85.23	46.03
	344.18	348.80

38 Finance costs

	For the year ended March 31, 2024	Year ended March 31, 2023
Interest expenses	242.68	310.48
Other borrowing costs	111.57	-0.00
	354.25	310.48

39 Fees and commision expense

	For the year ended March 31, 2024	Year ended March 31, 2023
Brokerage and commission	4,894.59	3,003.65
Membership and subscription expenses	29.29	21.34
	4,923.88	3,024.99

40 Impairment on financial instruments

	For the year ended March 31, 2024	Year ended March 31, 2023
Impairment Loss or (Gain) on financial instruments On trade receivables (refer note 52)	30.08	-77.17
	30.08	-77.17

41 Employee benefit expenses

	For the year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	3,051.05	2,274.91
Gratuity	61.00	55.93
Staff welfare expense	64.50	57.35
Contribution to provident and other funds	88.56	58.12
	3,265.12	2,446.31

42 Depreciation and amortisation expense

	For the year ended March 31, 2024	Year ended March 31, 2023
Depreciation on tangible assets (refer note 14)	148.58	110.79
Depreciation on investment property (refer note 15)	72.01	74.49
Amortization of right-of-use assets (refer note 52)	150.27	33.13
Amortisation of other intangible assets (refer note 17)	5.02	7.70
	375.87	226.11



[Handwritten signature]

[Handwritten mark]

[Handwritten signature]

43 Other expenses

	For the year ended March 31, 2024	Year ended March 31, 2023
Legal and professional expenses	362.35	211.17
Rent	223.65	97.23
Auditors' remuneration (refer footnote)	15.66	13.58
Business promotion	32.87	19.34
Charity and donations	0.95	0.08
Demat Charges	0.09	0.67
Electricity and water expenses	78.89	65.36
Insurance charges	39.52	21.17
Rates and taxes	66.02	60.41
Repair and maintenance	192.87	130.03
Printing and stationery	43.71	45.02
Communication expenses	142.76	82.58
Advertisement expenses	0.02	2.65
Loss on error trades	0.78	53.35
Net loss on sale on investments	0.17	19.51
Provision for non-performing assets	0.81	5.00
Contingent provision for standard assets	-1.37	7.41
Consumables	21.85	41.61
Balances written off	3.96	155.65
Bad debts written off	483.75	229.17
SEBI and stock exchange fee and charges	94.19	43.36
Tender expenses	16.40	16.58
Travelling and conveyance	447.34	225.47
Bank charges	20.13	11.97
Miscellaneous expenses	123.65	52.77
	2,411.01	1,611.14

Footnote:

Payment of remuneration to auditors (excluding GST)

	For the year ended March 31, 2024	Year ended March 31, 2023
Statutory audit	14.51	13.58
Other services	1.15	-
	15.66	13.58

44 Earnings per share

	For the year ended March 31, 2024	Year ended March 31, 2023
Basic and diluted earnings per share		
From continuing operations attributable to the equity holders of the holding company	5.31	48.84
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	1,240.61	11,544.96
	1,240.61	11,544.96
(b) Weighted average number of shares used as the denominator		
Weighted average number of outstanding equity shares	2,33,53,220	2,42,70,900
Effect of shares reduced on account of buy back 9,17,680 equity shares during the year.	-	-6,33,576
	2,33,53,220	2,36,37,324

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



Smal
Shah

45 Operating segments

A Basis of segmentation

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

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

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

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

Reportable segments / Operations

Debt and equity market operations comprises dealing/trading in securities and bonds which involves exposure to market risk.

Consultancy and advisory fees comprises merchant banking, underwriting commission, corporate and infrastructure advisory and loan syndication fees and arranger of debts/bonds, etc. These are mainly in the nature of services involving no or negligible risk.

Infrastructure advisory comprises advisory services in relation to infrastructure projects mainly in the nature of services involving no or negligible risk.

Wealth / Broking activities comprises commodity broking on various commodity exchanges in the country, stock and share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services and comprises broking and commission of mutual funds, equity initial public offerings, capital gain bonds, fixed deposits of government undertakings and RBI taxable bonds, etc. These are mainly in the nature of services involving no or negligible risk and Real Estate broking activities.

Finance activities comprises granting of loans.

Healthcare Activities comprises to establish, administer, own & run the eye care hospitals.

Investment activities comprises of profit on sale of investment.

Others involves the business which are not reportable segment during the year.

B Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

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



SM

45 Operating segments
 For the year ended March 31, 2024

	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	1,303.00	7,929.00	1,876.00	1,016.00	-	144.00	91.00	12,359.00
- Inter segment revenue	-	-	-	-	-	-	-	-
Revenue from external customers	1,303.00	7,929.00	1,876.00	1,016.00	-	144.00	91.00	12,359.00
Segment profit before tax	507	594	83	344	-	(36)	(89)	1,403.00
Segment assets	7,445.00	7,785.00	8,521.00	8,745.00	-	259.00	8,020.00	40,775.00
Segment liabilities	-	3,994.00	4,687.00	2,071.00	-	89.00	64.00	10,905.00

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	249	112	189	13,335	(256)	3	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



Handwritten signatures and initials in blue ink.

45 Operating segments

C Reconciliations of information on reportable segments

i). Revenues

	For the year ended March 31, 2024	For the year ended March 31, 2023
Total revenue for reportable segments		
Debt and equity market operations	1,303.00	1,007.00
Consultancy and advisory fees	7,929.00	5,085.00
Wealth Advisory / Broking activities	1,876.00	1,140.00
Finance activities	1,016.00	796.00
Investment activities	-	12,888.00
Healthcare activities	144.00	197.00
Others	91.00	24.00
Unallocable	-	-
Inter-segment eliminations	-3.77	-5.81
Total revenue	12,355.23	21,131.19

ii). Total comprehensive income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Total profit before tax for reportable segments	1,403.00	14,035.00
Elimination of inter-segment profits	-	-
Other income	-	-
Unallocated expenses:	63.00	96.87
Finance cost	0.80	-
Other expenses	-	-
Profit before tax	1,339.20	13,938.13
Share of net profit of associates accounted for usin	848.00	1,433.71
Tax expense	179.14	3,186.03
Profit after tax	2,008.06	12,185.81

Other comprehensive income

Items that will not be reclassified to profit or loss

Remeasurement of defined benefit plans	23.16	10.72
Changes in fair value gain /(loss) of FVOCI equity instruments	827.86	35.35
Income tax relating to these items	-98.11	-8.40
Other comprehensive income for the year	752.91	37.68
Total comprehensive income for the year	2,760.97	12,223.48

iii). Assets

	As at March 31, 2024	As at March 31, 2023
Total assets for reportable segments		
Debt and equity market operations	7,445.00	5,378.00
Consultancy and advisory fees	7,785.00	4,732.00
Wealth Advisory / Broking activities	8,521.00	4,180.00
Finance activities	8,745.00	11,858.00
Investment activities	-	5,939.00
Healthcare activities	259.00	286.00
Others	8,020.00	6,111.00
Unallocable	11,627.26	5,820.07
Inter-segment eliminations	-	-
Total assets	52,402.26	44,304.07

iv). Liabilities

	As at March 31, 2024	As at March 31, 2023
Total liabilities for reportable segments		
Debt and equity market operations	-	773.00
Consultancy and advisory fees	3,994.00	2,069.00
Wealth Advisory / Broking activities	4,687.00	1,820.00
Finance activities	2,071.00	679.00
Investment activities	-	-
Healthcare activities	89.00	300.00
Others	64.00	312.00
Unallocable	2,097.16	2,074.68
Intersegment eliminations	-	-
Total Liabilities	13,002.16	8,027.68



[Handwritten signature and initials]

46 Contingent liabilities, contingent assets and commitments

A Contingent liabilities

	As at March 31, 2024	As at March 31, 2023
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 awarded on 29 Feb.2024 in favor with closing of matter involved in appeal without any demand.)	-	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 (Matter closed in favor without any demand.)	-	0.05
Bank guarantee as on date (net of fixed deposits)	1,076.97	619.71
Collateral given to Oriental Bank of Commerce by North Square Projects Private Limited for the loan taken by Premier Alcobev Private Limited	711.49	673.90
	<u>1,788.46</u>	<u>1,358.10</u>

B Commitments

	As at March 31, 2024	As at March 31, 2023
Commitment against purchase of property	6.50	96.08
Estimated amount of contracts remaining to be extracted on capital account and not provided for (net of advances)	-	-
	<u>6.50</u>	<u>96.08</u>

C Contingent assets

The Group does not have any contingent assets as at March 31, 2024 (March 31, 2023).

...Space intentionally left blank...



Handwritten signature in blue ink.

Handwritten signature in blue ink.

47 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

48 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 2024 and 31 March 2023.

49 Leases

The Group has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the group has changed its accounting policy for lease contracts as per Ind AS 116.

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

The lease terms of these premises range from 1 to 5 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, 2024 is as follows :

	As at March 31, 2024	As at March 31, 2023
Opening Balance	238.70	522.75
Addition/ Deletion during the year	725.46	-220.48
Finance cost accrued during the year	46.89	39.58
Payment of lease liabilities	-166.11	-103.15
Closing Balance	844.94	238.70

The details of the contractual maturities of lease liabilities as at March 31, 2024 on undiscounted basis are as follows:

	As at March 31, 2024	As at March 31, 2023
Not later than one year	171.64	88.79
Later than one year but not later than five years	673.30	149.91
Later than five years	-	-
	844.94	238.70

Right-of-use (ROU) assets

The changes in the carrying value of ROU assets for the year ended March 31, 2024 are as follows :

	As at March 31, 2024	As at March 31, 2023
Opening Balance	219.99	473.60
Amortisation of ROU assets	-150.27	-33.13
Addition/ Deletion during the year	729.26	-220.48
Closing Balance	798.98	219.99

...Space intentionally left blank...



Handwritten signature

Handwritten signature

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

	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of		
-Principal amount due to micro and small enterprises	-	-
-Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

51 Corporate Social Responsibility

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

...Space intentionally left blank...



[Handwritten signature in blue ink]

52 Fair value measurement and financial instruments

a). Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i). As at March 31, 2024

Particulars	Carrying value			Fair value measurement using		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Cash and cash equivalents	-	1,296.56	1,296.56	-	-	-
Bank balances other than above	-	90.39	90.39	-	-	-
Receivables						
Trade receivables	-	6,864.34	6,864.34	-	-	-
Other receivables	-	44.07	44.07	-	-	-
Inventories	1,177.06	-	1,177.06	1,177.06	-	-
Loans	-	9,729.28	9,729.28	-	-	-
Investments	5,782.99	15.44	5,798.43	5,782.99	-	-
Investment in associates accounted by using equity method	-	8,347.94	8,347.94	-	-	-
Other financial assets	-	5,825.82	5,825.82	-	-	-
Total	6,960.05	32,213.84	39,173.89	6,960.05	-	-
Financial liabilities						
Payables						
Trade payables	-	1,531.96	1,531.96	-	-	-
Other payables	-	4,062.06	4,062.06	-	-	-
Borrowings other than debt securities	-	1,414.39	1,414.39	-	-	-
Lease liabilities	-	844.93	844.93	-	-	-
Other financial liabilities	-	3,595.88	3,595.88	-	-	-
Total	-	11,449.22	11,449.22	-	-	-

ii). 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	-	57.78	57.78	-	-	-
Receivables						
Trade receivables	-	3,499.40	3,499.40	-	-	-
Other receivables	-	144.00	144.00	-	-	-
Inventories	5,056.62	-	5,056.62	5,056.62	-	-
Loans	-	10,629.75	10,629.75	-	-	-
Investments	1,537.84	15.44	1,553.28	1,537.84	-	-
Investment in associates accounted by using equity method	-	7,496.60	7,496.60	-	-	-
Other financial assets	-	3,174.89	3,174.89	-	-	-
Total	6,594.46	26,993.18	33,587.64	6,594.46	-	-
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	-	-	-
Other financial liabilities	-	2,480.84	2,480.84	-	-	-
Total	-	7,065.08	7,065.08	-	-	-

...Space intentionally left blank...



[Handwritten signature]

[Handwritten initials]

[Handwritten signature]

52 Fair value measurement and financial instruments

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

b). Financial risk management

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

- Credit risk
- Liquidity risk
- Interest rate risk

Risk management framework

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

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

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

...Space intentionally left blank...



Handwritten signatures in blue ink, including a large signature that appears to be "Anand".

52 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, 2024	As at March 31, 2023
Cash and cash equivalents	1,296.56	1,975.32
Bank balances other than above	90.39	57.78
Trade receivables	6,864.34	3,499.40
Other receivables	44.07	144.00
Inventories	1,177.06	5,056.62
Loans	9,729.28	10,629.75
Investments	14,146.38	9,049.88
Other financial assets	5,825.82	3,174.89

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.

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 othe 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, 2024	For the year ended March 31, 2023
	Balance at the beginning	210.28
Impairment loss recognised	30.05	-78.31
Balance at the end	240.33	210.28



[Handwritten signature]

[Handwritten signature]

52 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. 1386.95 lac as at March 31, 2024 (March 31, 2023: Rs. 2033.10 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, 2024	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	1,531.96	1,531.96	-	1,531.96
Other payables	4,062.06	4,062.06	-	4,062.06
Borrowings other than debt securities	1,414.39	315.35	1,099.04	1,414.39
Lease liabilities	844.93	171.64	673.29	844.93
Other financial liabilities	3,595.88	3,427.21	168.67	3,595.88
Total	11,449.22	9,508.21	1,941.01	11,449.22

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	782.39	1,624.84	2,407.23
Lease liabilities	238.70	88.79	149.91	238.70
Other financial liabilities	2,480.84	231.37	2,249.47	2,480.84
Total	7,303.78	3,048.19	4,024.22	7,303.78

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

...Space intentionally left blank...



[Handwritten signature]

[Handwritten signature]

52 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.

53 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, 2024	As at March 31, 2023
Borrowings	1,414.39	2,407.23
Less: Cash and cash equivalents	-1,296.56	-1,975.32
Adjusted net debt (A)	117.83	431.91
Total equity (B)	27,757.12	25,418.86
Adjusted net debt to adjusted equity ratio (A/B)	23556.92%	5885.22%



54 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 47,11,800 options got lapsed, a portion of which had been re-issued by the Company. Further, till date, an aggregate of 2362830 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 23 May 2023 has allotted 2,00,000 options under series "J" 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 and Managing Director of the Board of Directors administers the scheme.

ESOPs to directors of the Company

Particulars

	As at March 31, 2024	As at March 31, 2023
Options outstanding at beginning of the period	5,00,000	5,00,000
Add: New options granted during the period	-	-
Less: Options exercised	(1,50,000)	-
Less: Options lapsed	-	-
Options outstanding at end of the period	3,50,000	5,00,000
Options exercisable at end of the period	3,50,000	5,00,000

ESOPs to persons other than directors of the Company

Particulars

	As at March 31, 2024	As at March 31, 2023
Options outstanding at beginning of the period	48,95,000	37,00,000
Add: New options granted during the period	2,50,000	12,10,000
Less: Options exercised	(9,25,000)	-
Less: Options lapsed	(1,00,000)	(15,000)
Options outstanding at end of the period	41,20,000	48,95,000
Options exercisable at end of the period	41,20,000	48,95,000



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

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

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	29,75,000	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	3,00,000	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	10,95,000	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 exercise period of option is 3 years from the date of its vesting	4.00
Series J	3	2,50,000	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 exercise period of option is 3 years from the date of its vesting	4.00

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	44,00,000	5,00,000	-	9,25,000	29,75,000	29,75,000
24th Sep 2020	10.00	3,00,000	-	-	-	3,00,000	3,00,000
14th Mar 2022	46.55	12,10,000	1,15,000	7,30,007	-	3,64,993	7,30,007
30th May 2023	33.40	2,50,000	-	2,50,000	-	-	2,50,000
Total		61,60,000	6,15,000	9,80,007	9,25,000	36,39,993	42,55,007

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

Series	Grant date	No. of options granted	Exercise Price	Weighted average fair value (in Rs.)
Series G	2nd Sep 2019	29,75,000	10.00	4.50
Series H	24th Sep 2020	3,00,000	10.00	4.50
Series I	14th Mar 2022	7,30,007	46.55	52.09
Series J	30th May 2023	2,50,000	33.40	48.77

Reconciliation of share option :-

Particulars	Total No. of options granted	Series - G	Series - H	Series - I	Series - J
Outstanding at beginning of the year	54,10,000	39,00,000	3,00,000	12,10,000	-
Granted during the year	2,50,000	-	-	-	2,50,000
Expired/ cancelled during the year	1,15,000	-	-	1,15,000	-
Exercised during the year	9,25,000	9,25,000	-	-	-
Outstanding at end of the year	46,20,000	29,75,000	3,00,000	10,95,000	2,50,000



Handwritten signatures and initials in blue ink.

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

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 - J	Series - I	Series - H	Series - G
G-Sec Yield	N.A	N.A	N.A	N.A
Expected volatility (%)	10	10	10	10
Risk-free interest rate (%)	6.95%	6.16%	6.16%	6.16%
Weighted average share price (in Rs.)	N.A	N.A	N.A	N.A
Exercise price (in Rs.)	10	10	10	10
Carrying amount of liability-included in employee benefit obligations (-	-	-	-

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, 2024	Year ended March 31, 2023
Employee option plan	102.49	101.84
Total employee share-based payment expense/(Income)	102.49	101.84



[Handwritten signatures and initials in blue ink]

55 Interest in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2024 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	As at	As at	As at
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Almondz Global Securities Limited	June 28, 1994	India	56.60%	58.45%	43.40%	41.55%
Acroxx Reality Private Limited	December 31, 2012	India	60.00%	100.00%	40.00%	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%
Almondz Finanz Limited	May 12, 2006	India	100.00%	0.00%	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.

Acroxx Reality 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 maintaince 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].

Almondz Finanz 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 debit and equity.



Handwritten signatures and initials in blue ink, including a large signature that appears to be 'Amal' and several other initials and scribbles.

55 Interest in other entities

(b) Associate Companies

Set out below are the associates of the group as at March 31, 2024 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
Almondz Insolvency Resolutions Services Private Limited (AIRSPL)	October 4, 2017	India	33.00%	33.00%	119.52	119.52	
Premier Alcobev Private Limited (PAPL)	May 25, 2007	India	46.34%	48.78%	8,228.42	7,377.08	2.44%
Total equity accounted investments					8,347.94	7,496.60	

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

Almondz Insolvency Resolutions Services Private Limited (AIRSPL)

Avenmore 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 46.34 % of the ownership interest in the company through North Square Projects Private Limited and Avonmore Capital & Management Services Ltd.(ACMS) holds 2.32 % of the ownership interest in the company . The Group has therefore determined that it has significant influence over this company.



Smad

[Signature]

[Signature]

[Signature]

55 Interest in other entities

ii. Summarised financial information for associates

	AIRSPL		PAPL	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Summarised Balance Sheet				
Total assets	144.28	144.28	29,287.91	29,287.91
Total liabilities	66.78	66.78	15,528.10	15,528.10
Net assets	77.50	77.50	13,759.81	13,759.81

Summarised Statement of profit and loss

	AIRSPL		PAPL	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	-	-	34,078.24	27,114.27
Other income	-	0.15	80.77	95.69
Profit before tax	-0.17	-5.34	2,132.19	3,165.47
Tax expense	-	-	390.56	701.12
Profit for the year	-0.17	-5.34	1,741.63	2,464.35
Other comprehensive income	-	-	1.20	1.20
Total comprehensive income	-0.17	-5.34	1,742.83	2,465.55



Smal
[Signature]

[Signature]

[Signature]

...Space intentionally left blank...

Avonmore Capital & Management Services Limited
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees in Lac , unless otherwise stated)

55 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, 2024	As at March 31, 2023
Financial assets	23,963.23	20,795.43
Non-financial assets	7,907.64	6,308.27
Total assets	31,870.87	27,103.70
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	25,774.60	20,264.04

% of Non controlling interest

43.40% 41.55%

Accumulated NCI

9,242.58 8,457.13

Summarised statement of profit and loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	12,018.82	7,952.76
Profit/(loss) for the year	3,406.84	1,577.73
Other comprehensive income	40.52	1.85
Total comprehensive income	3,447.36	1,579.58

Profit allocated to NCI (after any inter-group eliminations)

785.45 656.49



Handwritten signatures in blue ink, including a large signature on the right and two smaller ones on the left.

56 Additional information under Schedule III on the entities included in the Consolidated financial statements
As at March 31, 2024

Name of Enterprise	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Avonmore Capital & Management Services Lim	23.13%	12,069.10	-0.64%	-8.00	96.78%	711.27	35.60%	703.27
Subsidiaries								
Almondz Global Securities Limited	42.13%	21,980.17	147.63%	1,831.85	5.51%	40.52	174.50%	3,447.37
Anemone Holdings Private Limited	20.08%	10,476.66	20.37%	252.73	0.09%	0.68	12.83%	253.41
Avonmore Developers Private Limited	1.61%	840.82	-0.02%	-0.26	0.00%	-	-0.01%	-0.26
Almondz Infosystem Private Limited	-0.01%	-6.34	-0.91%	-11.24	0.00%	-	-0.57%	-11.24
Apricot Infosoft Private Limited	0.35%	182.64	0.66%	8.22	0.00%	-	0.42%	8.22
Glow Apparels Private Limited	0.51%	264.50	-0.03%	-0.36	0.00%	-	-0.02%	-0.36
Red Solutions Private Limited	0.32%	169.02	-9.97%	-123.75	0.00%	-	-6.26%	-123.75
Almondz Finanz Ltd	9.08%	4,733.42	-1.00%	-12.35	0.06%	0.45	-0.60%	-11.90
Consolidation Impact	2.80%	1,459.00	-56.09%	-696.00	-2.45%	-18.00	-115.88%	-2,289.24
Total	100.00%	52,173.99	100.00%	1,240.85	100.00%	734.91	100.00%	1,975.52

As at March 31, 2023

Name of Enterprise	Net assets		Share in profit or (loss)		Share in other comprehensive (loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Avonmore Capital & Management Services Lim	25.59%	11,305.13	17.54%	2,025.04	162.55%	35.80	17.82%	2,060.84
Subsidiaries								
Almondz Global Securities Limited	47.56%	21,008.37	13.67%	1,577.74	8.41%	1.85	13.66%	1,579.59
Anemone Holdings Private Limited	23.13%	10,217.21	73.02%	8,429.03	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%	-0.70
Red Solutions Private Limited	0.68%	298.70	-0.95%	-109.25	0.00%	-	-0.94%	-109.25
Consolidation Impact	0.13%	188.78	-3.29%	-380.00	-70.96%	-15.63	-3.42%	-395.95
Total	100.00%	44,304.07	100.00%	11,545.28	100.00%	22.03	100.00%	11,566.99



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

(a) List of related parties

Relationship	Name of related party
Subsidiary	Almondz Global Securities limited (AGSL)
Other related party	Premier Alcobev Private Limited (PAPL) Innovative Money Matters Private Limited (IMMPL) Almondz Insolvency Resolution Private Limited (AIRPL)
Key Management Personnel (ACMS)	Ms. Sonal (Company Secretary) (w.e.f. November 12, 2021) Mr Shakti Singh (Chief Financial Officer) Mr. Ashok Kumar Gupta (managing Director)
Key Management Personnel (AGSL)	Mr. Navjeet Singh Sobti (Managing Director) Mr Jagdeep Singh (Whole-time director) (ceased on 28th Apr.24) Mr. Rajeev Kumar (Chief Financial Officer) Mr. Ajay Pratap (Company Secretary)
Relatives of Key Management Personnel (AGSL)	Mrs. Gurpreet N.S. Sobti Navjeet Singh Sobti (HUF) Mrs. Parmeet Kaur Mr. Jaspreet Singh Miss Amisha Singh

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

For the year ended March 31, 2024

- (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	AIRPL
Income		
Interest received	48.00	
Recovery of expenses	6.27	
Assets/Liabilities		
Transactions during the Period		
Loan granted	300.50	
Loan granted- repayment received	300.50	
Interest receivable	48.00	
Repayment of interest receivable	59.17	
Closing balances		
Interest receivable	21.60	123.30
Loans Given	600.00	
Trade Receivable		0.81

Smart

[Signature]

[Signature]



56.1 Related party disclosures

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

Particulars	Ashok Kumar Gupta	Shakti Singh	Sonal
Expenses			
Managerial remuneration	55.66	8.36	5.76

(iii) Transactions with non-executive directors

Particulars	Govind Prasad Agrawal	Shaim Sunder Lal Gupta	Bhupinder Singh	Ajay Kumar	Ashu Gupta	Navjeet Singh Sobti	Jagdeep Singh	Gurpreet N.S. Sobti	Ajay Pratap	Parmeet Kaur	Rajeev Kumar	Jagdeep Singh HUF	Manpreet Singh
Particulars													
Income													
Sale of Bonds	-	-	-	-	-	-	20.35	-	-	10.18	-	-	10.01
Brokerage received	-	-	-	-	-	5.83	1.97	-	-	1.52	-	0.08	0.16
Delay Payment charges	-	-	-	-	-	0.01	0.02	-	-	0.05	-	-	-
Depository charges	-	-	-	-	-	0.30	0.20	-	-	0.17	-	0.01	0.01
Expenses													
Director Sitting Fee	2.32	2.35	0.50	2.29	1.75	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	-	36.00	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	89.87	100.53	-	65.63	-	12.74	-	-

For the year ended March 31, 2024

Transactions with key management personnel and enterprises in which key management personnel or their relatives exercise significant influence

Particulars	Jaspreet Singh	Amisha Singh	Neelu Jain	Ajay Kumar	Satisch Chandra Sinha	Krishanlal Khetrappaul
Income						
Sale of Bonds	-	10.15	-	-	-	-
Brokerage received	0.08	0.02	-	-	-	-
Depository charges	0.01	0.01	-	-	-	-
Expenses						
Director Sitting Fee	-	-	1.53	2.40	2.50	2.60

Smal 32

JPG



56.1 Related party disclosures

(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

Particulars	PAPL	AIRPL
Income		
Interest received	36.41	
Recovery of expenses	7.59	
Assets/Liabilities		
Transactions during the year		
Loan granted	525.50	
Loan granted- repayment received	826.00	
Interest receivable	36.41	
Repayment of interest receivable	4.12	
Closing balances		
Non-current investments	-	123.30
Interest receivable	32.77	
Loans Given	299.50	

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

Particulars	Sonal	Ashok Kumar Gupta	Shakti Singh	Navjeet Singh Sobti	Jagdeep Singh	Gurpreet N.S. Sobti	Ajay Pratap	Parmeet Kaur	Rajeev Kumar	Jagdeep Singh HUF
Income	-	-	-							
Brokerage received				0.45	0.96	0.13	-	0.79	-	0.02
Delay Payment charges				-	0.01	-	-	0.15	-	
Depository charges				0.02	0.09	-	-	0.10	-	
Sale of Bonds	-	-	-	-	22.08			32.75		-
Expenses										
Managerial remuneration	4.92	47.93	7.44							
Rent paid				-	-	36.00	-	-	-	
Managerial remuneration				46.33	62.85	-	25.94	-	10.30	

Small → *[Signature]* → *[Signature]* → *[Signature]*



56.1 Related party disclosures

(iii) Transactions with non-executive directors

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

For the year ended March 31, 2023

Transactions with key management personnel and enterprises in which key management personnel or their relatives exercise significant influence

Particulars	Jaspreet Singh	Amisha Singh	Neelu Jain	Ajay Kumar	Satisch Chandra Sinha	Krishaniai Khetrapaul	Sanjay Kumar Tiwari	Abdul Redha Mustafa Abdul Redha Sultan
Income								
Sale of Bonds	10.01	10.02						
Brokerage received	0.07	0.03	-	-	-	-	-	-
Delay Payment charges	-	0.01	-	-	-	-	-	-
Expenses								
Director Sitting Fee	-	-	1.28	2.17	2.00	1.30	1.85	0.75

Smal S

[Signature]

[Signature]



57 Income taxes

A. Amounts recognised in profit or loss

	March 31, 2024	March 31, 2023
Income tax expense		
Income tax	277.51	3,189.95
Income tax for earlier years	7.92	-15.97
MAT credit/(entitlement)	3.07	13.25
	288.50	3,187.23
Deferred tax expense		
Change in recognised temporary differences	-109.36	-1.20
	-109.36	-1.20
Total Tax Expense	179.14	3,186.03

B. Amounts recognised in Other Comprehensive Income

	March 31, 2024			March 31, 2023		
	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	23.16	729.75	752.91	10.72	26.96	37.68
	23.16	729.75	752.91	10.72	26.96	37.68

C. Reconciliation of effective tax rate

	March 31, 2024		March 31, 2023	
	Rate	Amount	Rate	Amount
Profit before tax		2,187.20		15,371.84
Tax using the Group's domestic tax rate (A)	26.00%	568.67	26.00%	3,996.68
Tax effect of:				
MAT credit/Deferred Tax		-106.29		12.05
Taxable/Non-taxable items		-283.24		-822.70
Total (B)		-389.53		-810.65
(A)+(B)		179.14		3,186.03

D. Movement in deferred tax balances

	As at March 31, 2023	Recognised in P&L	Recognised in OCI	As at March 31, 2024
Deferred Tax Assets				
Employee benefits	74.23	-716.03	729.75	87.95
Property, plant and equipment and intangibles	18.24	-7.30	-	10.94
Investment property	114.75	6.55	-	121.30
Trade receivables	53.89	5.65	-	59.54
Investments	31.22	-3.34	-	27.88
Security deposit	-	-	-	-
Operating leases	4.58	5.96	-	10.54
Loans	-	-	-	-
Borrowings	-	-	-	-
Other financial liabilities	76.19	8.01	-	84.20
MAT	130.97	-75.06	-	55.91
Other non-financial liabilities	-	2.90	-	2.90
Other consolidation adjustments	13.48	-19.68	-	-6.20
Sub- Total (a)	517.55	-792.34	729.75	454.96
Deferred Tax Liabilities				
Inventory	-	-	-	-
Sub- Total (b)	-	-	-	-
Net Deferred Tax Asset (a) - (b)	517.55	-792.34	729.75	454.96



...Space intentionally left blank...

Amay

	As at March 31, 2022	Recognised in P&L	Recognised in OCI	As at March 31, 2023
Deferred Tax Assets				
Employee benefits	56.92	-9.65	26.96	74.23
Property, plant and equipment and intangibles	11.63	6.61	-	18.24
Investment property	73.90	40.85	-	114.75
Trade receivables	71.08	-17.19	-	53.89
Investments	28.30	2.92	-	31.22
Security deposit	-	-	-	-
Operating leases	61.32	-56.74	-	4.58
Loans	-	-	-	-
Borrowings	-	-	-	-
Other financial liabilities	62.40	13.79	-	76.19
MAT	166.38	-35.42	-	130.97
Other non-financial liabilities	-	-	-	-
Other consolidation adjustments	32.96	-19.48	-	13.48
Sub- Total (a)	564.89	-74.31	26.96	517.55
Deferred Tax Liabilities	-	-	-	-
Property, plant and equipment and intangibles	-	-	-	-
Security deposit	-	-	-	-
Inventory	-	-	-	-
Sub- Total (b)	-	-	-	-
58 Net Deferred Tax Asset (a) - (b)	564.89	-74.31	26.96	517.55

- 59 The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.
- 60 There are no borrowing costs that have been capitalised during the year ended March 31, 2024 and March 31, 2023.
- 61 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.
- 62 There have been no events after the reporting date that require adjustment/disclosure in these financial statements.
- 63 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.

For Mohan Gupta & Co.
Chartered Accountants
Firm Registration No. 0065397


Himanshu Gupta
Partner
Membership No.: 527863




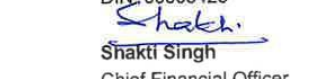
UDIN - 24527863BKEGCC3627

Place: New Delhi
Date: 30 May, 2024

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

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

The following tables present certain accounting and other ratios derived from the Consolidated Audited Financial Statements for the financial year ended March 31, 2024 and March 31, 2023 on the basis of consolidated financials.

Accounting Ratios (Consolidated)

Particulars	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023
Earning Per Shares ("EPS")		
i) Basic earnings per Equity Share (₹)	5.31	48.84*
ii) Diluted earnings per Equity Share (₹)	5.31	48.84*
Return on Net-Worth (%)	6.66%	43.80%*
Net Asset Value per Equity Share (₹)	129.14	117.69
EBITDA (₹ in lakhs)*	1725.14	14,125.92*

*The reason for exceptional increase in EPS, Return on Net-worth and EBITDA is on account of non-recurring event happened in FY 2023, which is related to profit on sale of strategic investment in the insurance business to the extent of ₹ 12,707.80 lakhs.

The ratios have been computed as below:

Ratio	Computations
Basic and Diluted Earnings Per Share	Profit attributable to shareholder / Total number of weighted average number of Shares
Return on Net Worth (%)	Profit for the Year / Net Worth
Net Asset Value per Share	Net Worth / Number of shares as at the end of the relevant period
EBITDA	Consolidated Profit before tax excluding other comprehensive income and share of associates + Depreciation and amortization expenses and finance cost - Other income

Calculation of Earnings Per Share

(₹ in lakhs)

Particulars	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023
Profit attributable to Equity shareholders (A)*	1240.61	11,544.96**
Weighted average number of equity shares outstanding during the year / period (B)	2,33,53,220	2,36,37,324
Basic and Diluted EPS (A)/(B)*10⁵	5.31	48.84

* Consolidated profit after tax before other comprehensive income.

**The reason for exceptional increase in profit is on account of non-recurring event happened in FY 2023, which is related to profit on sale of strategic investment in the insurance business to the extent of ₹ 12,707.80 lakhs.

Calculation of Return on Net-Worth

(₹ in lakhs)

Particulars	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023
Profit / (Loss) after tax (A)*	1,240.61	11,544.96**
Net worth (B)	30,157.52	27,819.26
Return on Net worth (A/B)	6.66%	43.80%

* Consolidated profit after tax before other comprehensive income.

**The reason for exceptional increase in profit is on account of non-recurring event happened in FY 2023, which is related to profit on sale of strategic investment in the insurance business to the extent of ₹ 12,707.80 lakhs.

Calculation of Net-Worth and Net Assets Value per Equity Shares

(₹ in lakhs)

Particulars	Financial Year ended	Financial Year ended March

	March 31, 2024	31, 2023
Equity Share Capital (A)	2,400.40	2,400.40
Other Equity (B)	27,757.12	25,418.86
Net worth (C) = (A+B)	30,157.52	27,819.26
No. of shares at the end of the relevant period (D)	2,33,53,220	2,36,37,324
Net Asset Value Per Share ((C*10⁵)/D)	129.14	117.69

Calculation of EBITDA

(₹ in lakhs)

Particulars	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023
Profit Before Tax	1,339.30	13,938.13*
Depreciation & Amortization	375.87	226.11
Finance Cost	354.25	310.48
Less: Other Income	344.18	348.80
EBITDA	1,725.14	14,125.92

*The reason for exceptional increase in profit is on account of non-recurring event happened in FY 2023, which is related to profit on sale of strategic investment in the insurance business to the extent of ₹ 12,707.80 lakhs.

EBITDA is calculated as consolidated Profit before tax excluding other comprehensive income and share of associates + Depreciation and amortization expenses and finance cost - Other income

*The above has been certified by Mohan Gupta & Co., Chartered Accountants, Statutory Auditor of our Company vide their certificate dated July 29, 2024.

STATEMENT OF CAPITALIZATION

Particulars		Pre-Issue as at March 31, 2024	As adjusted for the Issue (Post-Issue)#
Borrowings:			
Current borrowings	A	315.35	[•]
Non-current borrowings	B	1099.04	[•]
Total borrowings	C=A+B	1414.39	[•]
Shareholder's fund (Net worth)			
Share Capital	D	2400.40	[•]
Other Equity [^]	E	27,757.12	[•]
Total shareholder's fund (Net worth)	F=D+E	30,157.52	[•]
Non-current borrowing's/shareholder's fund (Net worth) ratio	B/F	0.036	[•]
Total borrowings /shareholders' funds (Net worth) ratio	C/F	0.05	[•]

[^]excludes non-controlling interest

The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage and hence the same have not been provided in the above statement.

*As certified by Mohan Gupta & Co., Chartered Accountants, Statutory Auditor of our Company vide their certificate dated July 29, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 61 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 20 and 15, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards like IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Financial Year 2024 included herein is based on the Audited Consolidated Financial Statements in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 61 of this Draft Letter of Offer.

OVERVIEW

Avonmore Capital & Management Services Limited was originally incorporated as 'Ashtan Capital and Management Services Private Limited', a private limited company under the provisions of the Companies Act, 1956, at New Delhi on September 30, 1991 with Registrar of Companies, Delhi and Haryana. Subsequently, it was converted to a public limited under section 43A (I-A) of the Companies Act, 1956 on May 15, 1992 and changed its name to "Allianz Capital and Management Services Limited" with effect from November 05, 1992.

Further, the name of our Company was changed to 'Almondz Capital and Management Services Limited' w.e.f. May 22, 2007 vide fresh certificate of incorporation received from the Registrar of Companies, NCT of Delhi and Haryana. The name of the Company then changed from 'Allianz Capital and Management Services Limited' to its current name 'Avonmore Capital & Management Services Limited' vide fresh certificate of incorporation dated August 13, 2013. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI as a NBFC-Non Deposit taking – Non-Systematically Important under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. N-14.03164.

Avonmore Capital & Management Services Limited (formely known as Allianz Capital & Management Services Limited) was an investment company engaged in the business of sub broking and advisory services and had commenced its operations in the year 1991-1992. ACMS hold majority shareholding in different companies of Almondz group. The main income of our Company is bifurcated into interest received from our lending business and dividend received from the investment in these ventures apart from capital appreciation. ACMS is an AMFI (Association of Mutual Fund of India) registered Mutual Fund distributor and involved in distribution of various financial products viz. mutual funds, equity IPOs, tax saving schemes etc. Our Company's current business model is centered around two major activities in financial market i.e. investments in securities; and granting of loans. Our source of funding comprises of own funds and loan funds.

Mr. Navjeet Singh Sobti and Innovative Money Matter Limited are the Promoters of our Company. Mr. Navjeet Singh Sobti, is the Almondz Group's strategist, associated since 1992. He is a Chartered Accountant, who excels at successfully implementing business strategies, joint ventures, mergers and acquisitions, corporate restructuring, aiming at maximizing stakeholders' value. His leadership has helped Almondz Group to diversify in different sectors.

Our Company's subsidiary company and step-down subsidiaries are in the field of investment banking, management advisory services, stock-broking, depository participant, research analyst, merchant banking, wealth management, infrastructure consultancy services and manufacturing green fuel amongst others.

During the financial year ended March 31, 2024, our total income at consolidated level was ₹ 12,699.41 lakhs as compared to ₹ 8772.19 lakhs (excluding non-recurring income from profit on strategic sale of investments of ₹ 12707.80 lakhs) during FY 2023. Profit after tax during FY 2024 was ₹ 2,008.06 lakhs as compared to ₹ 12185.81 lakhs during FY 2023.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those

discussed in the section titled ‘Risk Factors’ on page 20. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- India’s macroeconomic environment;
- Availability of cost-effective funding sources;
- Volatility in borrowing and lending rates;
- Volatility in financial market;
- Credit quality and provisioning;
- Government policies and regulations;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India;
- Increasing Competition in the Industry;
- Changes in the value of the Indian rupee and other currencies;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic and political conditions in India;

RESULTS OF OUR OPERATION ON THE BASIS OF CONSOLIDATED BASIS

(₹ in Lakhs)

Particulars	FY-2024	% of Total Revenue	FY-2023	% of Total Revenue
Interest Income	1149.53	9.05%	1,117.23	5.20%
Dividend Income	18.52	0.15%	6.45	0.03%
Fees and commission income	9,577.07	75.41%	6,259.69	29.14%
Net gain on fair value changes	237.82	1.87%	(42.55)	-0.20%
Other operating income	1,372.29	10.81%	13,790.37	64.20%
Total Revenue from operations	12,355.23	97.29%	21,131.19	98.38%
Other Income	344.18	2.71%	348.80	1.62%
Total Revenue (A)	12,699.41	100.00%	21,479.99	100.00%
Finance cost	354.25	2.79%	310.48	1.45%
Fees and commission expense	4,923.88	38.77%	3,024.99	14.08%
Impairment on financial instrument	30.08	0.24%	(77.17)	(0.36%)
Employee benefit expenses	3,265.12	25.71%	2,446.31	11.39%
Depreciation and amortization	375.86	2.96%	226.11	1.05%
Other expenses	2,411.01	18.99%	1,611.14	7.50%
Total Expenses (B)	11,360.21	89.45%	7,541.86	35.11%
Profit before share of equity accounted investees and tax (A-B)	1,339.20	10.55%	13,938.13	64.89%
Share of equity accounted investees	848.00	6.68%	1,433.71	6.67%
Profit before tax	2,187.20	17.22%	15,371.84	71.56%
Tax expenses	179.14	1.41%	3,186.03	14.83%
Profit after tax (before minority profit deduction)	2,008.06	15.81%	12,185.81	56.73%
Profit after tax (after minority profit deduction)	1,240.61	9.77%	11,544.96	53.75%

Discussion on the results of operation

Fiscal Year 2024 compared to Fiscal Year 2023

Revenue from operations

Our revenue from operations on a consolidated basis decreased by 41.53% to ₹ 12,355.23 lakhs in FY 2024 from ₹ 21,131.19 lakhs in FY 2023. The major reason for exceptional revenue during FY23 was on account of profit on sale of strategic investment in the insurance business to the extent of ₹ 12,707.80 lakhs.

Other income

Our other income decreased marginally by 1.32% to ₹ 344.18 lakhs in FY 2024 from ₹ 348.80 lakhs in FY 2023. The decrease was primarily on account of decrease in rental income.

Expenses

Our total expenses increased by 50.63% to ₹ 11,360.21 lakhs in FY 2024 from ₹ 7,541.86 lakhs in FY 2023, due to following reasons:

Finance cost

Our finance costs increased by 14.10% to ₹ 354.25 lakhs in FY 2024 from ₹ 310.48 lakhs in FY 2023. The increase in finance costs was primarily due to availment of higher overdraft / credit facility against the shares held as stock.

Fees and commission

Our fee and commission expense were increased by 62.77% to ₹ 4,923.88 lakhs in FY 2024 from ₹ 3,024.99 lakhs in FY 2023. This increase is on account of higher brokerage and commission expense which increased from ₹ 3003.65 lakhs during FY 2023 to ₹ 4894.59 lakhs during FY 2024.

Impairment on financial instruments

The impairment on financial instruments was increased by 138.98% to ₹ 30.08 lakhs in FY 2024 from ₹ (77.17) lakhs in FY 2023. The increase in impairment on financial instrument in FY24 was primarily due to reversal effect of impairment value of debtors, which was written off in FY 2023.

Employee benefit expense

Our employees benefit expense was increased by 33.47% to ₹ 3,265.12 lakhs in FY 2024 from ₹ 2,446.31 lakhs in FY 2023. The increase was primarily due to increase in head counts in wealth and brokerage division and in other subsidiary Companies, increments and incentives given to employees as part of performance.

Depreciation and amortization expense

Our depreciation and amortization expenses were increased by 66.23% to ₹ 375.87 lakhs in FY 2024 from ₹ 226.11 lakhs in FY 2023. The increase in depreciation and amortization expenses is due to an increase in the net block of the Company and lease effect of rental premises.

Other Expenses

Our other expenses were increased by 49.65% to ₹ 2,411.01 lakhs in FY 2024 from ₹ 1,611.14 lakhs in FY 2023. The increase in other expenses was primarily due to an increase in legal and professional expenses, rent, communication expenses, bad debt written off and other miscellaneous expenses.

Profit before tax

Our profit before tax (inclusive of share of net profit of associates) was decreased by 85.77% to ₹ 2,187.20 lakhs in FY 2024 from ₹ 15,371.84 lakhs in FY 2023. The major reason for exceptional profit during FY23 was on account of profit on sale of strategic investment in the insurance business to the extent of ₹ 12,707.80 lakhs.

Tax Expenses

Our tax expenses decreased by 94.38% to ₹ 179.14 lakhs in FY 2024 from ₹ 3,186.03 lakhs in FY 2023. The decrease is primarily due to a lower profit during the year.

Profit/(Loss) for the period after tax

Our profit after tax was decreased by 77.41% to ₹ 2,760.97 in FY 2024 from ₹ 12,223.49 lakhs in FY 2023. The decrease in profit after tax was primarily due to non-recurring event happened in FY 2023, which is related to profit on sale of investment and incremental expenses incurred on employee benefit expenses in FY 2024.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in the sub-section titled “*Material Developments*” on page 140 and elsewhere in this Draft Letter of Offer, to our knowledge no circumstances have arisen since March 31, 2024, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and /or our Promoters; (ii) material violations of statutory regulations by our Company and /or our Promoters; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of the “Policy for Determination of Materiality of Events and Information” adopted by our Board, in their Board Meeting held on July 5, 2024 in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).

In this regard, please note the following:

1. Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount equal to or exceeding 1% of the profit after tax as per the consolidated audited financial statements of the Company for the immediately preceding financial year (being ₹ 20.08 lakh which is 1% of ₹ 2008.06 lakhs as on March 31, 2024) (“Materiality Threshold”), and / or (ii) is otherwise determined to be material in terms of the Materiality Policy.
2. Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigations involving our Company

A. Proceedings involving issues of moral turpitude or criminal liability

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

i. Criminal Litigations initiated against our Company

As on the date of this Draft Letter of Offer, there are no criminal litigations initiated against our Company.

ii. Criminal Litigations initiated by our Company

As on the date of this Draft Letter of Offer, there are no criminal litigations initiated by our Company.

B. Matters involving material violations of statutory regulations by our Company

As on the date of this Draft Letter of Offer, there are no matters involving material violations of statutory regulations by our Company.

C. Economic offences where proceedings have been initiated against our Company

As on the date of this Draft Letter of Offer, there are no economic offences where proceedings have been initiated against our Company.

D. Other proceedings involving our Company which involve an amount exceeding the Materiality threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Civil Litigations initiated against our Company

As on the date of this Draft Letter of Offer, there are no civil litigations where proceedings have been initiated against our Company.

Civil Litigations initiated by our Company

As on the date of this Draft Letter of Offer, there are no civil litigations where proceedings have been initiated by our Company.

*Tax Proceedings initiated against our Company**

Nature of the case	Number of cases	Total amount involved(in ₹ lakhs)
Direct tax litigations	Nil	Nil
Indirect tax litigations	Nil	Nil
Total	Nil	Nil

*There are four tax proceedings for an amount of ₹ 3661.04 lakhs against our subsidiary companies viz. Almondz Global Securities Limited and Red Solutions Private Limited.

A. Litigations involving our Promoter and Subsidiaries.

Mr. Navjeet Singh Sobti (Promoter) and our subsidiary i.e., Almondz Global Securities Limited and step down subsidiary Almondz Commodities Private Limited

1. Cases pertaining to National Spot Exchange Limited (NSEL)

There are certain cases by and against the Subsidiary Company Almondz Global Securities Limited and its two Directors being common Directors (viz. Mr. Navjeet Sobti and Mr. Jagdeep Singh) with Almondz Commodities Private Limited. One of the Director Mr. Jagdeep Singh died on 28th February, 2024. These cases are related to NSEL matter which are pending in the court since 2014 in which AGSL and its Directors have been alleged to be made accused in the year 2023.

National Spot Exchange Limited (NSEL) case relates to a payment default at the National Spot Exchange Limited that occurred in 2013 involving Financial Technologies India Ltd, when a payment default took place after a commodities market regulator, the Forward Markets Commission (FMC), directed NSEL to stop issuing contracts. This led to the closure of the Exchange in July 2013. Investigations led by Enforcement Directorate (ED) and Economic Offences Wing (EOW) revealed the role of brokers and defaulters in the NSEL case. Some of the brokers mis-sold NSEL products to their clients by assuring them fixed returns. It was alleged that the defaulters hypothecated stocks and produced fake warehouse receipts and siphoned the entire default money. Several chargesheets were filed. In the last 11th Chargesheet, Almondz Commodities Private Limited and its two Director, one of whom (Mr. Jagdeep Singh) is deceased has been named. SEBI has alleged that all the brokers named in the chargesheet have been accused of indulging in manipulation of client KYCs, large-scale modification of client codes for doing multiple deals and infusion of unaccounted money through their NBFCs. SEBI has asked them as to why they should not be declared not "fit and proper" since they were found to have violated securities regulations. The following cases at various courts are pending in respect of same matter involving our Promoter, our subsidiary & step-down subsidiary:

- (a) On June 19, 2023 SEBI issued notice against AGSL under clause 6 of Schedule II to the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, in which SEBI asked AGSL to submit compliance report with comments regarding the disqualification of two of the Directors as not fit and proper person because of a charge sheet has been filed in the NSEL matter where name of the two Directors are appearing thereby resulting in cancelling the registration as member. Against that notice AGSL filed writ petition before Hon'ble Bombay High Court seeking quashing the said notice of SEBI. While hearing the writ petition SEBI made a statement before the Court that no coercive action shall be taken against AGSL. That writ petition is still pending in High Court.

AGSL has filed an application as Intervenor to delete its name from the array of parties in the matter of NSEL vs. EOW (AGSL vs. National Spot Exchange Limited) where NSEL has filed an application in the Sessions Court, Mumbai, seeking to implead AGSL as one of the accused in the case titled (MPID No. 1/2014 Pankaj R. Saraf vs Amit Mukherjee & others).

A Writ petition bearing 1819/2023 has been filed by AGSL in Bombay High Court against the application filed

in the Sessions Court, Mumbai by National Spot Exchange Ltd. seeking to implead AGSL as one of the accused in the case titled (MPID No. 1/2014 Pankaj R. Saraf vs Amit Mukherjee & others).

- (b) In the Case bearing no. MPID No. 1/2014 between Pankaj Ramnaresh Saraf vs Amit Mukherjee & Ors) which is pending in the Court of Sessions Judge, Mumbai City Civil Court. The Economic Offence Wing, Mumbai Police has filed a supplementary charge sheet inter alia against Almondz Commodities Pvt. Ltd., and its then Directors Mr. Navjeet Singh Sobti and Mr. Jagdeep Singh on December 2, 2022. We received Summons and appeared in Court in which Mr. Navjeet Singh Sobti was granted bail and Court was intimated about the sad demise of another Director viz. Mr. Jagdeep Singh who expired on February 28, 2024. That matter is pending in the Court and proceeding is going on.
- (c) Almondz Commodities Pvt. Ltd., has filed an appeal before Appellate Tribunal PMLA against the case bearing no. OC 2055/2023 against the order of Adjudicating Authority which upheld the finding of Enforcement Directorate for ordering attachment of Fixed Deposit amounting to ₹ 30 Lakhs.
2. A case was filed by Central Bureau of Investigation (CBI) against R K. Ganguly & AGSL in CBI Court Kolkatta. In that case supplementary charge sheet was filed to include the name of Mr. Navjeet Singh Sobti as an accused. Hon'ble High Court dismissed the case of CBI and exonerated Mr. Navjeet Singh Sobti from the case. Against that judgement of Calcutta High Court, CBI filed a special leave petition before Hon'ble Supreme Court of India. In the meanwhile, the original case before CBI court has ended in acquittal of all accused persons. That judgment has made this special leave application infructuous. No appeal is filed by CBI against that judgment of CBI Court. However, on the website of Supreme Court of India, that petition is still showing as pending though it has become infructuous.

B. Case filed against our Promoter Mr. Navjeet Singh Sobti

There is a matrimonial dispute between the relatives of Promoter Mr. Navjeet Singh Sobti. His nephew namely Shri Gurjan Singh passed away on December 5, 2023 stated to have committed suicide. He is survived by his parents, wife and a daughter. His wife has filed a case under Domestic Violence Act in Court at Derabassi against her parents in laws and has tried to involve Mr. Navjeet Singh Sobti and his elder brother too by impleading them as co-accused. The matter is pending in the Court.

C. Case filed by our Subsidiary company viz. Almondz Global Securities Limited

This is a recovery claim against Bhopal Municipal Corporation (BMC) which has denied payment of outstanding dues. Therefore, as per agreement, a claim petition was filed before the arbitration tribunal, Bhopal by AGSL for recovery of ₹ 35.71 lakhs from Bhopal Municipal Corporation. The matter is pending in the Tribunal.

D. Case filed against our step down subsidiary viz. Almondz Global Infra-Consultant Limited

This is a case under Section 34 of u/s 34 Arbitration & Conciliation Act, 1996 which has been initiated by Bhagalpur Smart City Limited (BSCL) against the Arbitration Award amounting to ₹ 9.61 Crores passed in favour of ILF Consulting Engineers in association/Joint Venture with Almondz Global Infra-Consultant Ltd. The Arbitration Award is related to Project Development and Management consultancy for planning, designing, implementing and monitoring of Smart City Projects of Bhagalpur Smart City, which was done by the Joint Venture. Though the Joint Venture worked but the payment was not made and the consultant JV was tried to be terminated on asking for payment. Thereafter, arbitration proceeding was initiated before the Sole Arbitrator.

E. Case filed by our step down subsidiary viz. Almondz Global Infra-Consultant Limited (AGICL)

- (i) This writ is filed by AGICL in the High Court of Telangana on September 25, 2020 against the life tax imposed by Dy. Transport Commissioner, Telangana on the Vehicle mounting Mobile Bridge Inspection Unit. In this matter our argument was heard on November 4, 2020 and interim order is passed by Hon'ble Shri Justice A.A. Reddy on November 10, 2020. On furnishing of bank guarantee, the vehicle was released on November 18, 2020. The main writ petition is pending in Hon'ble High Court of Telangana. On January 18, 2021 the Government of Telangana has moved an application for vacating the stay order dated November 10, 2020. The matter was listed on January 25, 2021 before High Court but was not taken up for hearing. The next date is still to be given by High Court and the matter is pending.
- (ii) An execution petition has been filed against Bhagalpur Smart City limited for execution of the arbitration award dated December 16, 2023 amounting to ₹ 9.61 Crores passed in favour of ILF Consulting Engineers in

association/Joint Venture with Almondz Global Infra-Consultant Ltd. That case is pending in the Court of District Judge, Bhagalpur.

Cases filed by our Promoter Company and Subsidiaries/step-down subsidiaries

(i) Case filed by our Promoter Company viz. Rakam Infrastructures Private Limited

There are two cases instituted on February 4, 2019 against Ajay Kumar Sharma under section 138 of Negotiable Instruments Act and these are filed for dishonour of two cheques amount of ₹ 100 lakh each in the Dwarka Court, New Delhi. The Court has taken cognizance against the accused and issued summons to him. The matter is currently pending with Court.

(ii) Case filed by our Subsidiary company viz. Almondz Finanz Limited

The case has been instituted on November 1, 2019 against Gayatri Nadupalli under section 138 of Negotiable Instruments Act in the Rouse Avenue Court prosecuting her for dishonor of cheque amount to ₹ 6.82 lakh. The court has taken cognizance against the accused and issued summons to her. . The case is pending with court.

Other Disclosures

- Our Company, its Promoters, Promoter Group, Directors, Subsidiaries or step-down subsidiaries, or any companies with which the Directors of our Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI which is still in force.
- Promoters and Directors of our Company are not declared as fugitive economic offender.
- Neither our Company, our Directors nor our Promoters are or have been declared as willful defaulters or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines issued by RBI.

MATERIAL DEVELOPMENT SINCE THE DATE OF THE LAST AUDITED ACCOUNTS

In the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Letter of Offer and which materially and adversely affect or is likely to affect within the next twelve months except the following:

- (a) authorization by the Board of Directors to raise the funds by way of Rights Issue of Equity Shares.
- (b) Splitting of face value of Equity Shares from ₹ 10/- per Equity Shares to ₹ 1/- per Equity Share
- (c) Shareholders approved the increase of authorize share capital of our Company from ₹ 3000 Lakhs to ₹ 3400 Lakhs through postal ballot on June 14, 2024.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the Objects of this Issue.

For further details, please see “*Objects of the Issue*” on page 39 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on May 30, 2024 pursuant to Section 62 (1) (a) and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on May 30, 2024 has resolved to issue Equity Shares to the Eligible Equity Shareholders aggregating upto ₹ 5000 lakh and in its meeting held on [●] decided to issue the Rights Equity Shares at an Issue Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), in the ratio of [●], as held on the Record Date.

This Draft Letter of Offer has been approved by the Committee of Directors of our Board on July 30, 2024.

Our Company has received in-principle approvals from BSE and NSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 150 of this Draft Letter of Offer.

Prohibition by the SEBI or other Government Authorities

None of our Company, our Promoters, members of our Promoter Group and our Directors are prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

Association of our Directors with the securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company, nor our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. NSE is the Designated Stock Exchange for the purpose of the Issue.

Applicability of the SEBI ICDR Regulations

The present Issue being of less than ₹5000 lakh, Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Draft Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of

SEBI, i.e. www.sebi.gov.in.

Compliance with clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, to the extent applicable, in terms of the disclosures made in this Draft Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- a) Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable, for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the BSE and NSE;
- b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and NSE; and
- c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer from our Company

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk. Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Cautions

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue is NSE.

Disclaimer Clause of BSE

[•]

Disclaimer Clause of NSE

[•]

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

Filing

This Draft Letter of Offer is being filed with the Stock Exchanges i.e. BSE and NSE as per the provisions of the SEBI ICDR Regulations, Further, in terms of SEBI ICDR Regulations, our Company shall file the copy of this Draft Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investor Grievances arising out of this Issue:

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. Beetal Financial & Computer Services Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e- mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see

“*Terms of the Issue*” on page 150 of this Draft Letter of Offer.

Investors may contact the Registrar to the Issue at:

Beetal Financial & Computer Services Private Limited

“Beetal House” 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 India

Telephone: +91 011-29961281, 29961282

E-mail: beetal@beetalfinancial.com

Investor grievance E-mail:

Website: www.beetalfinancial.com

Contact Person: Punit Mittal

SEBI Registration No.: INR000000262

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

The contact details of the Company Secretary are as follows:

Company Secretary and Compliance Officer:

Sonal

F-33/3 Okhla Industrial Area, Phase-II,

New Delhi-110020, India

Email Id: secretarial@almondz.com / sonal.gupta@almondz.com

Phone: +91 11 43500700

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA. For guidance and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.beetalfinancial.com

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them

Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at <https://www.avonmorecapital.in>;
- (ii) The Registrar at www.beetalfinancial.com;
- (iii) The Stock Exchange at www.bseindia.com; and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar ((i.e., Cameo Corporate Services Limited at www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.avonmorecapital.in).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Abridged Letter of Offer, the Rights

Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "- Grounds for Technical Rejection" below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" below.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

A Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the

Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being Avonmore Capital & Management Services Limited;
- (b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option – only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount paid at the rate of ₹ 10.00 per Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.

I/ We acknowledge that the Company, our affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.beetalfinancial.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

- i) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) such extended time as permitted by the Stock Exchanges will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

- vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
- xviii) Do not submit multiple Applications.
- xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre- existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- xv) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

- a. Payment from third party bank accounts.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- Procedure for Applications by Mutual Funds" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

Procedure for Applications by certain categories of Shareholders

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by

relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Friday, 31st May, 2024, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

A Shareholders who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.avonmorecapital.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements they will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the

credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e* www.beetalfinancial.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●], to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for

additional Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (One) Equity Shares for every 1 (One) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will no fractional shares.

Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE Limited and National Stock Exchange of India Limited, through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE and NSE (Symbol: AVONMORE), Scrip Code: 511589 under the ISIN: INE323B01024. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

Rights of the Rights Equity Shareholder

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable

effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper, one Hindi language national daily newspaper with wide circulation being **the regional language of Punjab, where our Registered Office is situated.**

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.beetalfinancial.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and Our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar by submitting their respective copies of self-attested proof of address, passport, etc. at [●]

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE

Issue Schedule

Issue opening date	
Last Date on Market Renunciation Of Rights Entitlements #	
Issue Closing Date*	
Finalization Of Basis Of Allotment (On Or About)	
Date Of Allotment (On Or About)	
Date Of Credit (On Or About)	
Date Of Listing / Trading (On Or About)	

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., ... to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., ...

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling

Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

- i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 1 day from the approval of basis of allotment by the stock exchange. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 1 day period from the approval of basis of allotment by the stock exchange.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
- iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- vii) Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Avonmore Capital & Management Services Limited- Right Issue**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre,

Near Dada Harsukhdas Mandir, New Delhi- 110062, India

Telephone: +91 011-29961281, 29961282

E-mail: beetal@beetalfinancial.com

Investor grievance E-mail:

Website: www.beetalfinancial.com

Contact Person: Punit Mittal

SEBI Registration No.: INR000000262

1. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.beetalfinancial.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 91(22) 49186195.
 - (i) The Shareholders can visit following links for the below-mentioned purposes:
2. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.beetalfinancial.com.

3. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: ...
4. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.beetalfinancial.com.
5. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION VIII - RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer.

Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Letter of Offer until the closure of the subscription list.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

MATERIAL CONTRACTS

1. Agreement dated July 26, 2024 between our Company and M/s Beetal Financial & Computer Services Private Limited, Registrar to the Issue.
2. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
3. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
4. Banker(s) to the Issue Agreement dated [●] amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

DOCUMENTS FOR INSPECTION

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated September 30, 1991.
3. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated May 30, 2024 authorizing the Issue.
4. Copy of the resolution passed by the Right Issue Committee dated July 30, 2024 approving the letter of offer;
5. Resolution passed by the Right Issue Committee dated [●] determining the Record date.
6. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;
7. Annual reports of our Company for the financial years ended March 31, 2021, 2022 and 2023.
8. A statement of tax benefits dated July 26, 2024 received from M/s Mohan Gupta & Company, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders.
9. Standalone and Consolidated Audited Financial Results for the year ended March 31, 2024
10. In-principle listing approval(s) dated [●] and [●] from National Stock Exchange of India Limited and BSE Limited respectively.

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

SECTION X - DECLARATION

Declaration

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashok Kumar Gupta
Managing Director
DIN: 02590928

Date: July 30, 2024
Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashu Gupta
Director
DIN: 00007836

Date: July 30, 2024

Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ajay Kumar
Independent Director
DIN: 01954049

Date: July 30, 2024
Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Govind Prasad Agrawal
Director
DIN: 00008429

Date: July 30, 2024
Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shyam Sunder Lal Gupta
Independent Director
DIN: 00044635

Date: July 30, 2024
Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Bhupinder Singh
Independent Director
DIN: 00062754

Date: July 30, 2024

Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sonal
Company Secretary and Compliance Officer

Date: July 30, 2024

Place: New Delhi

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules or regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shakti Singh
Chief Financial Officer

Date: July 30, 2024

Place: New Delhi