



ADCON CAPITAL SERVICES LIMITED

ANNUAL REPORT
2014 - 15

BOARD OF DIRECTORS

Mr. Sanjay Minda
Mr. Sawan Jajoo
Mr. Manjit Jajoo
Mr. Mihir H. Patel
Mrs. Chetna S. Minda

Mr. Vibhav S. Ranade, Company Secretary

BANKERS

Kotak Mahindra Bank Limited
(ealier ING Vyasya Bank Limited)

AUDITORS

M/S Gupta Saharia & Co.
(Chartered Accountants)

REGISTERED OFFICE

417, Chetak Centre NX,
Near Hotel Shreemaya,
RNT Marg, Indore - 452001 Madhya Pradesh

CIN : L67120MP1994PLC008511

CORPORATE OFFICE

117, Hubtown Solaris, N.S. Phadke Marg,
Near East-West Flyover, Andheri (E),
Mumbai - 400 069, Maharashtra.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ADCON CAPITAL SERVICES LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 23, 2015 AT 11.00 A.M. AT ITS REGISTERED OFFICE AT 417, CHETAK CENTRE NX, NEAR HOTEL SHREEMAYA, R.N.T. MARG, INDORE – 452 001, MADHYA PRADESH TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2015 and reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Minda, (DIN: 00034029) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the appointment of M/s. Gupta Saharia & Co., Chartered Accountants (Firm Reg. No. 103446W) as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting be and is hereby ratified at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT subject to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof and any rules made there under, for the time being in force) and Clause 49 of the Listing Agreement and pursuant to provisions of Articles of Associations of the Company and subject to such other approvals as may be required, consent of Members of the Company be and is hereby accorded for appointment of Mr. Mihir H. Patel, (DIN: 06991256) who was appointed as an Additional Director of the Company by the Board with effect from October 8, 2014 and who has given declaration in respect of the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and whose term of office expires at the ensuing annual general meeting and in respect of whom the Company has received a notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for a term of five consecutive years i.e. up to October 7, 2019.”

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT subject to the provisions of Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof and any rules made there under, for the time being in force) and pursuant to provisions of Articles of Associations of the Company and subject to such other approvals as may be required, consent of Members of the Company be and is hereby accorded for appointment of Mrs. Chetna S. Minda, (DIN: 00240265) who was appointed as an Additional Director of the Company by the Board with effect from March 31, 2015 and whose term of office expires at the ensuing annual general meeting and in respect of whom the Company has received a notice from a Member in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company and her period of office shall be liable to determination by retirement of Directors by rotation."

By order of the Board
For **Adcon Capital Services Limited**

Place : Mumbai
Date : 13/08/2015

Sd/-
Vibhav S. Ranade
Company Secretary

NOTES :

1. The details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Director proposed to be reappointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the registered office of the Company not less than forty eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 17, 2015 to Wednesday, September 23, 2015 (both days inclusive).
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays during business hours upto the date of the Annual General Meeting.

5. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
6. In compliance of the provisions of Companies Act, 2013, rules made thereunder and Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote through ballot paper which is annexed to this report. Members are requested to refer instructions appended to the Ballot paper. The Board of Directors has appointed CS Shreyans Kumar Jain, Practicing Company Secretary to scrutinize the process in a fair and transparent manner.
7. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

By order of the Board
For **Adcon Capital Services Limited**
Sd/-

Place : Mumbai
Date : 13/08/2015

Vibhav S. Ranade
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out in detail all material facts relating to the item of Special Business as mentioned in the accompanying Notice convening the Annual General Meeting of the Company.

ITEM No. 4

Mr. Mihir H. Patel is an Additional Director of the Company appointed by the Board of Directors with effect from October 8, 2014. Pursuant to provisions of Section 161 of the Companies Act, 2013, he will hold office upto the date of ensuing Annual General Meeting.

It is proposed to appoint Mr. Mihir H. Patel as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement for a period of five consecutive years i.e. upto October 7, 2019 and he shall not be liable to retire by rotation as prescribed under the Companies Act, 2013.

In the opinion of the Board Mr. Mihir H. Patel fulfils the conditions specified under the Act and rules made thereunder as also under the Listing Agreement for his appointment as Independent Director of the Company and is Independent of the Management of the Company. Further he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Mihir H. Patel for the office of Independent Director of the Company. Further the Company has also received declarations from the Director that he meets with the criteria of Independence as prescribed both under sub section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement with Stock Exchange.

Mr. Mihir H. Patel is interested in the resolution as appointee as set out in item no. 4 of the Notice with regard to his appointment. Copy of the draft letter for appointment of Mr. Mihir H. Patel as Independent Director setting out the terms and conditions is available for inspection by members free of cost at the registered office of the Company at the time specified as above.

The Directors, therefore, recommend the Resolution as set out in item no. 4 for the approval of the Members of the Company.

None of the Directors except Mr. Mihir H. Patel, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in these Resolutions.

Item No. 5

Mrs. Chetna S. Minda is an Additional Director of the Company appointed by the Board of Director with effect from March 31, 2015. Pursuant to provisions of Section 161 of the Companies Act, 2013, she will hold office upto the date of ensuing Annual General Meeting.

It is proposed to appoint Mrs. Chetna S. Minda as Director under Section 149 of the Act and Clause 49 of the Listing Agreement and she shall be liable to retire by rotation as prescribed under the Companies Act, 2013.

Further Mrs. Chetna S. Minda is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director of the Company.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Chetna S. Minda for the office of Director of the Company.

Mrs. Chetna S. Minda is interested in the resolution as appointee as set out in item no. 5 of the Notice with regard to her appointment.

The Directors, therefore, recommend the Resolution as set out in item no. 5 for the approval of the Members of the Company.

None of the Directors except Mr. Sanjay Minda and Mrs. Chetna S. Minda, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in these Resolutions.

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

| Name of the Director | Mr. Sanjay Minda | Mr. Mihir H. Patel | Mrs. Chetna S. Minda |
|---|--|--|-----------------------------------|
| Date of Birth | 15.08.1967 | 13.05.1989 | 10.03.1972 |
| Date of Appointment | 19.04.2010 | 08.10.2014 | 31.03.2015 |
| Expertise in specific functional area | Income Tax, Corporate Restructuring, Capital Market, Acquisition and Takeovers and related matters | Corporate Law, Account, Taxation and Finance | Human Resource and Administration |
| Qualification | B.Com, FCA | C.S. (Inter), B.Com | B.A. |
| No. of Equity Shares held in the Company | Nil | Nil | Nil |
| Directorship in other Indian Public Limited Companies as on 31.3.2015 | 2 | Nil | 1 |
| Chairmanship / Membership of Committees in other Indian Public Limited Companies as on 31.3.2015 | 1 | Nil | Nil |



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty First Annual Report together with the Audited Financial Statements for the year ended March 31, 2015.

1. CORPORATE OVERVIEW

Adcon Capital Services Limited, a Company incorporated under the Companies Act, 1956 and holds registration as Non – Banking Financial Company (NBFC) from Reserve Bank of India. It is a listed NBFC Company, engaged in the business of providing loans and advances, investment in shares of other companies and providing other related Financial and Consultancy Services.

2. FINANCIAL PERFORMANCE :

(Amt. in Lacs)

| PARTICULARS | For the Financial Year Ended | |
|-------------------------------------|------------------------------|------------------|
| | 31st March, 2015 | 31st March, 2014 |
| Total Income | 11.27 | 13.15 |
| Less: Total Expenses | (8.12) | (5.11) |
| Profit before Tax | 3.15 | 8.04 |
| Less: Tax Expenses | (0.69) | (2.46) |
| Profit / (Loss) for the year | 2.46 | 5.58 |

RESULTS OF OPERATIONS

Total revenue of the Company for the financial year is Rs. 11,27,790/- as compare to Rs. 13,15,899/- in the corresponding previous year and the Company has gained a net profit of Rs. 2,45,948/- as compared to Rs. 5,57,787/- in the corresponding previous year. The income comprises of activities in the business of Financing and investments in securities.

3. DIVIDEND AND RESERVES

In order to conserve the reserves to meet the needs of increased operation of the Company, the Board of Directors has decided not to declare dividend for the year. In terms of provisions of Section 45(IC) of Reserve Bank of India Act, 1934, the Company being Non – banking Financial Company (NBFC) is required to transfer minimum 20% of its Net Profit to reserves under this section, however the Current year's profits are not adequate to meet the said requirement in view of accumulated losses in the Company.

4. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2015 stood at Rs. 3,55,11,000 / -. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

5. DEPOSITS:

Your Company has not accepted any fixed deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975. Further, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits which are not in compliance with Chapter V of the Act is not applicable.

6. FINANCE AND ACCOUNTS

Your Company prepares its Financial Statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2015.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

7. MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(i) of the Companies Act, 2013, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

8. INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

The Company being Non – banking Financial Company (NBFC), the details required under section 134(3)(g) of the Companies Act, 2013 are not required as the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year there are no such details which are required to be disclosed in terms of provisions of Section 188(2) of the Companies Act, 2013.

11. DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Company has Five (5) Directors consisting of Three (3) Non – Executive Independent Directors as on March 31, 2015.

In terms of the definition of 'Independence' of Directors as prescribed under clause 49 of the Listing Agreement entered with Stock Exchanges and Section 149(6) of the Companies Act, 2013 and based on the confirmation received from the Director, during the year under review, the Company has appointed Mr. Mihir H. Patel as an Independent Director.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Company shall have atleast one Woman Director on the Board of the Company. Your Company has appointed Mrs. Chetna S. Minda as Director on the Board of the Company w.e.f. March 31, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Sanjay Minda, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received the declaration of Independence as provided under section 149(6) of the Act from all the Independent Directors. Further, the familiarisation program for Independent Directors is also available on website of the Company viz. www.adconcap.com.

During the year under review, the Company has appointed Mr. Vibhav S. Ranade as Company Secretary of the Company. Further, the Board is also making efforts to appoint other Key Managerial Personnel as required under the Act, however due to its financial position not able to achieve the same.

12. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2015 and profit of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;