

ADCON CAPITAL SERVICES LIMITED

27TH ANNUAL REPORT

(2020 – 2021)

BOARD OF DIRECTORS

| | | |
|-----------------------|---|--|
| Mr. Manjit Jajoo | - | Independent Director |
| Mr. Sandeep Jha | - | Independent Director |
| Mr. Sanjay Minda | - | Non-Executive Director |
| Mrs. Chetna S. Minda | - | Non-Executive Women Director |
| Mr. Manojkumar Mishra | - | Chief Executive Officer |
| Mr. Nikhil Borana | - | Company Secretary & Compliance Officer |

BANKERS

Kotak Mahindra Bank Limited

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s Jain Rahul & Associates
(Company Secretaries)

REGISTERED OFFICE

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

CORPORATE OFFICE

117, Hubtown Solaris,
N. S. Phadke Marg,
Near East – West Flyover,
Andheri (East), Mumbai – 400 069, MH

| Index | Page No. |
|--------------------------------------|-----------------|
| Notice | 2-11 |
| Directors' Report | 12-25 |
| Report on Corporate Governance | 26-39 |
| Auditor's Report | 40-48 |
| Balance Sheet | 49 |
| Statement of Profit and Loss Account | 50 |
| Cash Flow Statement | 51 |
| Notes to Accounts | 52-61 |
| Schedule to Balance Sheet for NBFC | 62-63 |

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ADCON CAPITAL SERVICES LIMITED WILL BE HELD THROUGH VIDEO CONFERENCE (“VC”) / OTHER AUDIO VISUAL MEANS (“OVAM”) ON MONDAY, SEPTEMBER 20, 2021 AT 12.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2021 and reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjaykumar Minda, (DIN: 00034029) who retires by rotation and being eligible, offers herself for reappointment.
3. To approve 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 reenactment thereof, for the time being in force), consent of the members be and is hereby accorded to the appointment of M/s. Singhvi & Sancheti, Chartered Accountants (Firm Reg. No. 110286W) as the Statutory Auditors of the Company to hold the office from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company.”

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take all suitable steps in respect of implementation of the aforesaid resolution.”

SPECIAL BUSINESS:

4. Re-classification of Promoter & Promoter Group as Public category, 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 Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments made thereto) (hereinafter referred to as “Listing Regulations”) including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions of Listing Regulations and other applicable laws, subject to necessary approvals from Stock Exchanges and for other appropriate statutory authorities, as may be necessary, the consent of the Members of Company be and is hereby accorded to remove / re-classify Mr. Awadesh Kumar Pandey, Promoter (hereinafter Applicant) of the Company from “Promoter and Promoter Group Category” to “Public Category”.

RESOLVED FURTHER THAT the applicant seeking re-classification is not: (i) together, hold more than ten percent of the total voting rights in the Company; (ii) exercise control over the affairs of the Company directly or indirectly; (iii) have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements; (iv) be represented on the board of directors (including not having a nominee director) of the Company; (v) act as a key managerial person in the Company; (vi) be a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines; (vii) be a fugitive economic offender.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to take such steps expedient or desirable to give effect to this resolution including to submit the application for reclassification to Stock Exchange, wherein the securities of the company are listed or any other regulatory body, as may be required.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution.”

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

**Place: Mumbai
Date: 10th August, 2021**

**Sd/-
Nikhil Borana
Company Secretary**

NOTES:

1. The details under Regulation 26(4), Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person seeking re-appointment as Director at the AGM, is annexed hereto.
2. In view of the current extraordinary circumstances due to outbreak of the COVID-19 pandemic requiring social distancing, the Ministry of Corporate Affairs vide Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020 and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic” (collectively referred to as “SEBI Circulars”) has permitted conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and accordingly in compliance with applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said MCA Circulars and the SEBI Circular in this behalf, the 27th Annual General Meeting (AGM) of the Company will be held through VC / OAVM.
3. The personal presence of the Members at the meeting has been dispensed with and Members can attend and participate in the AGM through VC / OAVM only. In terms of Circular No. 14/2020 dated 8th April, 2020, the facility to appoint Proxy to attend and vote on behalf of the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and vote on their behalf. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of their Board or governing body’s Resolution/Authorization, authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutinizer through e-mail at shreyanscs@gmail.com with a copy marked to company on adconcap@gmail.com or RTA on support@purvashare.com.
4. For the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013, the attendance of the Members attending the AGM through VC / OAVM will be counted.
5. In terms of the said Circulars and the SEBI Circular dated 12th May, 2020 and 15th January, 2021, the Notice of AGM alongwith Annual Report for the Financial Year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice alongwith the Annual Report for the Financial Year 2020-21 has been uploaded on the website of the Company www.adconcap.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
6. Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also provide their email address and mobile number to the Company’s Registrar and Share Transfer Agent, Purva Share Registry India Private Limited on support@purvashare.com.

7. Alternatively, member may send an e-mail request at the email id support@purvashare.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
8. Since the AGM will be held through VC / OAVM, route map is not annexed to the Notice.
9. Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility for participation at the AGM through VC / OAVM will be made available for 1,000 members on first come, first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Compensation & Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. The business set out in the Notice will be transacted inter-alia through remote e-voting facility being provided by the Company through the e-voting platform of www.evotingindia.com in accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The communication relating to remote e-voting containing details about User ID and password, instructions and other information relating to e-voting are given in this Notice.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per Register of Members of the Company will be entitled to vote.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 13th September, 2021 to Monday 20th September 2021.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN details to their DPs. Members holding shares in physical form are requested to submit their PAN details to the Company / Purva.
14. Members are requested to promptly intimate any change in their name, postal address, email address, contact numbers, PAN, nominations, mandates, bank details, etc. to their DPs for equity shares held in dematerialized form and to Purva Shareregistry India Private Limited, the Registrar and Share Transfer Agent.
15. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above and to eliminate the risks associated with physical shares, Members are advised to dematerialise shares held by them in physical form.
16. Members desirous of having any information regarding Accounts of the Company are requested to e-mail their queries to adconcap@gmail.com with 'Query on Accounts' in the subject line, atleast 7 days before the date of the meeting, so that requisite information is made available at the meeting.

17. REMOTE E-VOTING (E-voting) INSTRUCTIONS:

- i. In terms of the provisions of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (LODR) Regulations, 2015 the Company is providing the facility to its members holding shares as on cut-off date, being **Monday, 13th September, 2021** to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Details of the process and manner of e-voting along with the details of User ID and Password are being sent to all the Members alongwith the notice.
- ii. The members who have cast their vote by e-voting may also attend the meeting but shall not be entitled to cast their vote again. The facility for voting through e-voting voting system shall be also made available during the Meeting.
- iii. The Company has engaged the services of Central Depository Services Limited (“CDSL”) as the agency to provide e-voting facility.
- iv. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- v. The Board of director of the Company has appointed CS Shreyans Jain, Practicing Company Secretary, as Scrutinizer to scrutinize the remote e-voting and e-voting process in a fair and transparent manner and he has communicated his consent to be appointed as Scrutinizer.
- vi. The voting period begins on Friday, 17th September, 2021 at 9.00 a.m. to Sunday, 19th September 2021 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 13th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- vii. **INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:**

A. Applicable only for Individual members holding securities in Demat form.

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in Demat mode are allowed to vote through their demat accounts/ websites of Depositories / Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

I. Individual Members (holding securities in demat mode) login through Depository

Login method for Individual members holding securities in demat mode is given below:

1. Existing user who have opted for Easi / Easiest
 - i. URL: <https://web.cdslindia.com/myeasi/home/login> or URL: www.cdslindia.com
 - ii. Click on New System Myeasi
 - iii. Login with user id and password.
 - iv. Option will be made available to reach eVoting page without any further authentication.

- v. Click on e-Voting service provider name to cast your vote.
- 2. User not registered for Easi/Easiest
 - i. Option to register is available at <https://web.cdslindia.com/myeasi/Registration/> Easi Registration
 - ii. Proceed with completing the required fields.
- 3. By visiting the e-Voting website of CDSL
 - i. URL: www.cdslindia.com.
 - ii. Provide demat Account Number and PAN No.
 - iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
 - iv. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.

II. Individual Members (holding securities in demat mode) login through their depository participants:

Individual Member can also login using the login credentials of his / her demat account through his / her Depository Participant registered with CDSL for e-Voting facility. Once login, the member will be able to see e-Voting option. Click on e-Voting option the member will be redirected to CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and the member will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period.

Help lines for login issues:

Members can use the following helplines of CDSL to retrieve User ID/ Password in case they forget User ID and Password:

Members facing any technical issue- CDSL:

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

B. Applicable for Non-Individual members and members holding shares in physical form:

Non-individual shareholders viz Mutual Funds, Foreign Portfolio Investors, Banks/Financial Institutions, Insurance Companies, Bodies Corporates etc. and shareholders holding physical shares can directly login through <https://evoting.kfintech.com> for casting votes during the e-voting period. Procedure and Instructions for remote e-voting are as under:

- a. Initial password is provided in the body of the email.

- b. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
 - c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No. / DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.
 - d. After entering the details appropriately, click on LOGIN.
 - e. You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. You need to login again with the new credentials.
 - g. On successful login, the system will prompt you to select the EVENT i.e. Adcon Capital Services Limited.
 - h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
 - i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
 - k. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at shreyanscs@gmail.com with a copy marked to support@purvashare.com on or before 5 PM of 15th September, 2021.
- 18. Information and other instructions for Members voting on the day of the AGM through the e-voting system:**
- i. Only those Members, who attend the AGM through VC / OAVM and have not cast their vote through remote e-voting and are otherwise not barred from doing so, are eligible to vote through

e-voting in the AGM.

- ii. If any votes are cast by Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members participating in / attending the meeting.
 - iii. The procedure for e-voting on the day of the AGM is same as remote e-voting. Please refer to the instructions for remote e-voting mentioned above.
 - iv. However, Members who have voted through remote e-voting will be eligible to attend the AGM.
19. The Scrutinizer shall immediately after the conclusion of AGM verify and count the votes casted at AGM and unblock the votes of e-voting in the presence of at least two (2) witnesses who are not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company www.adconcap.com; www.evotingindia.com i.e. service provider within prescribed period and submitted to the Stock Exchange

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

Sd/-
Nikhil Borana
Company Secretary

Place: Mumbai
Date: 10th August, 2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE**Item No. 4**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations, 2015”), has provided a regulatory mechanism for re-classification of Promoters as Public Shareholder subject to fulfillment of conditions provided therein. The Company had received a request letter from Mr. Awadesh Kumar Pandey, who is under the category of Promoters of the Company and has requested to be removed from the category of “Promoters / Promoter Group”: in view of application received from the above Applicant and in consideration with the proper compliance of Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at its meeting held on 19th July, 2021, has considered the application for removing/re-classifying received by the company as above from Promoter Group Category to Public Category subject to approval by the Members, Stock Exchange or any other regulatory body as may require. The Company has intimated the Stock Exchanges on July 08, 2021 of the above requests for re-classification. Further Mr. Awadesh Kumar Pandey have also given confirmation that;

- i). he do not hold more than ten percent of the total voting rights in the Company.
- ii). he do not exercise control over the affairs of the Company directly or indirectly.
- iii). he have no special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements.
- iv). he is not represented on the Board of Directors (including not having a nominee director) of the Company.
- v). he do not act as Key Managerial Person in the Company.
- vi). he is not a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines.
- vii). they are not fugitive economic offender.

Mr. Awadesh Kumar Pandey have further undertaken to abide by the conditions listed in Regulation 31A of the Listing Regulations post such re-classification being approved by the Members of the Company and the Stock Exchanges. Post approval by Members, the Company shall make application to the Stock Exchanges for its approval in terms of procedure prescribed under SEBI Regulations.

Pursuant to Regulation 31A of the Listing Regulations, the request for re-classification shall be approved in the General Meeting by an Ordinary Resolution in which the promoter(s) seeking re-classification and persons related to the promoter(s) seeking re-classification shall not vote to approve such re-classification request. None of the Directors and Key Managerial Personnel and their relatives are interested or concerned in the said resolution.

The Board recommends the Resolution no. 4 as an Ordinary Resolution for your approval.

Details of Director seeking appointment / re-appointment at the 27th Annual General Meeting (Pursuant to Regulation 36(3) (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges)

| PARTICULARS | Mr. Sanjaykumar Minda |
|--|--|
| Director Identification Number | 00034029 |
| Date of Birth and Nationality | 15.08.1967 and Indian |
| Relationship with other Directors <i>Interse</i> | Yes, Spouse of Mrs. Chetna Minda |
| Date of Appointment | 19.04.2010 |
| Expertise in specific functional area | Income Tax, Corporate, Restructuring, Capital, Market, Acquisition and Takeovers and related matters |
| Qualification | B.Com, FCA |
| No. of Equity Shares held in the Company | NIL |
| Directorship in other Listed Companies as on 31.03.2021 | 1 |
| Chairmanship / Membership of Committees in other Listed Companies as on 31.03.2021 | 1 |

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 27th Annual Report together with the Audited Accounts for the year ended March 31, 2021.

FINANCIAL PERFORMANCE:

The summary of operating results for the year is given below:

| Particulars | For the financial year ended | |
|-------------------------------------|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| Total Income | 28.41 | 25.52 |
| Less: Total Expense | 14.59 | 23.53 |
| Profit Before Tax | 13.82 | 1.99 |
| Less: Tax Expense | 2.05 | 0.38 |
| Profit / (Loss) for the year | 11.77 | 1.61 |

(Amt. in Lacs)

RESULTS OF OPERATIONS AND OVERVIEW OF BUSINESS:

Your Company is a registered Non – Banking Financial Company (NBFC) holding certificate of registration from Reserve Bank of India. It is engaged in the business of providing loans, investment in securities of other companies and providing other related Financial and Consultancy Services and a professionally managed company.

During the year revenue of the Company is Rs.28,41,371/- as compare to Rs.25,52,886/- in the corresponding previous year and the Company has earned net profit of Rs.11,77,479/- as compared to Rs. 1,61,165/- in the corresponding previous year. The income comprises of activities in the business of financing to corporates and small and medium enterprises sector and investments in securities.

There was no change in nature of the business of the company.

DIVIDEND:

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.

TRANSFER TO STATUTORY RESERVES:

Your Company being a registered Non – Banking Financial Company (NBFC) in terms of provisions of Section 45(IC) of Reserve Bank of India Act, 1934, required to transfer minimum 20% of its Net Profit to reserves under this section, accordingly, as per directions of RBI your Board has recommended to transfer Rs.2,35,496/- to Statutory Reserves u/s 45(IC) of the RBI Act, 1934.

SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2021 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, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company. The Company's Equity Shares are listed on BSE Limited and available for trading.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, Company does not have any subsidiaries, joint ventures or associate companies.

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 are not applicable.

MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(i) of the Companies Act, 2013, The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 is significantly impacting business operation of the companies, by way of interruption due to unavailability of personnel, closure due to lockdown etc. Further the State Government has imposed restriction and lockdown to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities which has impacted the financial position of the company.

No other material changes and commitment were made between the end of financial year and the date of report which could affect the financial position of the Company.

COVID-19 AND ITS IMPACT:

The outbreak of the COVID-19 virus in previous year is still having impact on the business operation which has resulted in continuous country wise Lockdown. The health of the employees and workers became a priority. The lockdown gave India time to make concerted effort to flatten the outbreak.

INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate as per the nature of the business, the size and complexity of its operation. The Company has a strong in-house Internal Audit ("IA") department that functionally reports to the Chairman of the Audit Committee, thereby

maintaining its objectivity. Remediation of deficiencies by the IA department has resulted in a robust framework for internal controls.

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.

REPORTING OF FRAUDS:

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

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.

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(1) of the Companies Act, 2013, accordingly the requirement to disclose in Form AOC – 2 is not required.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors of your Company comprises of four (4) Directors and all of them being Non – Executive Directors as on March 31, 2021.

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

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed thereunder. The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV to the Companies Act, 2013. Further, the familiarisation program for Independent Directors is also available on website of the Company viz. www.adconcap.com.

Pursuant to the provisions of Section 203 of the Act, the KMP's of the Company are; Mr. Manoj kumar Mishra, Chief Executive Officer and Mr. Nikhil Borana, Company Secretary of the Company.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

During the year No independent Director was appointed.

NUMBER OF MEETINGS OF THE BOARD:

During the year the Directors met at regular interval and gap between the two meetings does not exceed the minimum required. The Board met Five (5) times during the financial year, for details of the meetings of the Board, please refer to the Corporate Governance Report which forms a part of this Annual Report.

AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Composition and the functions of the Audit Committee of the Board of Directors of the Company are disclosed in the Report on Corporate Governance, which is forming a part of this report. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (NRC) of Directors was constituted by the Board of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy of the Company is attached herewith as “**Annexure - A**”.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013 and the Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Stakeholders Relationship Committee.

The Composition and the functions of the Stakeholders Relationship Committee of the Board of Directors of the Company are disclosed in the Report on Corporate Governance, which is forming a part of this report.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015 a criteria for performance evaluation of Directors was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual directors pursuant to the provisions of the Act and the SEBI (LODR) Regulations. The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and Non-Independent Director was also carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

STATEMENT OF COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Director's confirm that the Company has complied with applicable secretarial standards.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under the review, provision of CSR pursuant to section 135 of Companies Act, 2013 is not applicable to Company.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the Company's website at the link (www.adconcap.com).

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, 2021, 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, 2020 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

WHISTLE BLOWER POLICY:

The Board has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and as per (LODR)

Regulations, 2015 framed whistle blower policy to report genuine concerns or grievances. The whistle blower policy has been posted on the website of the Company (www.adconcap.com). During the year no such instance was reported in the Company.

STATUTORY AUDITORS:

There is no audit qualification or observation on the financial statements of Company, by the statutory auditors for the year under review. M/s. Gupta Saharia & Co., Chartered Accountants, (Firm Registration No. 103446W) the Statutory Auditors of the Company, were appointed at 25th Annual General Meeting until the conclusion of 27th Annual General Meeting of Company in terms of the provisions of Section 139 of the Companies Act, 2013.

Since the term of Statutory Auditors of the Company i.e. M/s. Gupta Saharia & Co., Chartered Accountants is coming to an end at the conclusion of ensuing AGM and they are not eligible for re-appointment u/s 139(2) of the Act. Pursuant to the recommendation of Audit Committee the Board of Directors had approved the appointment of M/s. Singhvi & Sancheti, Chartered Accountants (Firm Reg. No. 110286W), as per section 139 of the Companies Act, 2013.

The Company has received consent and confirmation from M/s. Singhvi & Sancheti, to the effect that they fulfill the eligibility criteria as prescribed under Section 139 and 141 of the Companies Act, 2013.

Your Directors recommends the appointment as the Statutory Auditors in the notice of ensuing 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting.

SECRETARIAL AUDIT AND MANAGEMENT'S REPLY TO OBSERVATIONS BY THE SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Jain Rahul & Associates, practicing company secretaries to undertake the Secretarial Audit of your Company. The Secretarial Audit Report is included as “Annexure – B” and forms an integral part of this report.

With respect to the observations made in the Secretarial Audit Report in their report, your Board of Directors provides clarification as under:

The Company is looking for suitable candidate for Chief Financial Officer of the Company.

The Company is obtained one more Credit Information Company membership and is in process of obtaining membership of one remaining CICs as well. The publication of financial results in newspaper left due to oversight, however the results remain intimated to Stock Exchange and uploaded on Company's website timely.

COST RECORD

The provision of Cost audit as per section 148 doesn't applicable on the Company.

CORPORATE GOVERNANCE:

In terms of the provisions of regulation 15 (2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 the compliance with Corporate Governance provisions as specified is not applicable as your Company's paid up equity share capital is not exceeding Rs.10 Crores and net worth is not exceeding Rs.25 Crores as on March 31, 2021. However your Company has complied with the requirements of Corporate Governance as stipulated under the various Regulations of the LODR and accordingly, the Report on Corporate Governance forms part of this Annual Report as "**Annexure -C**".

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V(B) of the SEBI (LODR) Regulations, 2015 is given in "**Annexure - D**" to this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION:

Considering the nature of the business of your Company there are no particulars which are required to be furnished in this report relating to conservation of energy and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earnings and outgo of the Company during the year under review amounted to Rs. Nil.

MATERIAL ORDERS OF JUDICIAL BODIES/REGULATORS

No material orders were passed by any Judicial Bodies or Regulator against the Company.

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

Presently, the compliance with respect to Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable to the Company as there is no woman employee (permanent, contractual, temporary, trainees) employed in the Company. However the working environment in your company remains cordial and employee friendly.

ACKNOWLEDGEMENTS:

The Board of Directors places on record its gratitude to the Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI), Stock Exchanges, other government and regulatory authorities, financial institutions and correspondent banks for their strong support and guidance. The Board acknowledges the support of the shareholders and also places on record its sincere thanks to its valued clients and customers for their continued patronage.

**For and on behalf of the Board of Directors
For Adcon Capital Services Limited**

Sd/-

**Sanjaykumar Minda
Chairman**

DIN: 00034029

**Place: Mumbai
Date: 30.06.2021**

ANNEXURE-ANOMINATION AND REMUNERATION POLICY OF ADCON CAPITAL SERVICES LIMITED

| | |
|----------------------|---|
| Policy Title | Nomination and Remuneration Policy |
| Authorised by | Board of Directors |

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Key Objectives of the Committee would be:

1. OBJECTIVE:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel's and create competitive advantage;
- To devise a policy on Board diversity;
- To develop a succession plan for the Board and to regularly review the plan

2. DEFINITIONS:

- **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- **"Board"** means Board of Directors of the Company.
- **"Directors"** mean Directors of the Company.
- **"Key Managerial Personnel"** means –
 - a) Chief Executive Officer or the Managing Director or the Manager or Whole-time director or Chief Financial Officer or Company Secretary.
 - b) **"Senior Management"** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. COMPOSITION:

- The Committee shall consist of a minimum three non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.
- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

4. ROLE OF COMMITTEE:**Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

JAIN RAHUL & ASSOCIATES
(Company Secretaries)**ANNEXURE B****Form No. MR-3**
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members,
Adcon Capital Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADCON CAPITAL SERVICES LIMITED (CIN: L67120MP1994PLC008511)** (hereinafter called "the company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, (During the audit period such provisions are not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

JAIN RAHUL & ASSOCIATES **(Company Secretaries)**

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (During the audit period such provisions are not applicable to the Company);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (During the audit period such provisions are not applicable to the Company);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, (During the audit period such provisions are not applicable to the Company);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, (During the audit period such provisions are not applicable to the Company); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, (During the audit period such provisions are not applicable to the Company);
- (vi) Reserve Bank of India Act, 1934 and Rules, Regulations, guidelines and Directions issued by the Reserve Bank of India as are applicable to the Company being a Registered Non-Banking Finance Company.

We have also examined compliance with the applicable clauses of the following:

- (i). Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii). The Listing Agreements entered into by the Company with Stock Exchanges and applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Securities;

JAIN RAHUL & ASSOCIATES (Company Secretaries)

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

- The Company in terms of RBI Directions is required to obtain membership of all Credit Information Companies; however the company has obtained membership of three Credit Information Companies and is in process of obtaining membership with the one remaining Credit Information Company.

- The Company has not yet to fill the vacancy caused due to resignation of Chief Financial Officer and time allowed under section 203 of the Act is already elapsed;

- As required in terms of regulation 47 of SEBI Listing Regulations 2015, the Company has not published all of its quarterly financial results in newspapers.

We further report that;

The Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors and no Executive Director on the Board. The following changes took place in the composition of Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

- a) Re-Appointment of Mrs. Chetna Minda Director who retired by rotation and offered re-appointment at 26th Annual General Meeting held on 26th September, 2020;

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried through, while there were no dissenting views of members as verified from the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Jain Rahul & Associates**

Rahul Jain
(Proprietor)
ACS No. 41518
C.P. No. 15504
UDIN: A041518C000511284

Place: Udaipur
Date: 24.06.2021

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

JAIN RAHUL & ASSOCIATES
(Company Secretaries)

Annexure A: to the Secretarial Audit Report for the year 31st March, 2021

To

The Members,
Adcon Capital Services Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management are adequate and appropriate for us to provide a basis for our opinion.
4. We believe that audit evidence, information and details obtained from the Company's management from time to time in electronic form due to outbreak of COVID-19 and countrywide lockdown are adequate and appropriate for us to provide a basis for our opinion.
5. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have conducted online verification and examination of records, as facilitated by the Company, due to Covid- 19 and subsequent lockdown situation imposed for the purpose of issuing this report.

For Jain Rahul & Associates

Sd/-
Rahul Jain
(Proprietor)
ACS No. 41518
C.P. No. 15504
UDIN: A041518C000511284

Place: Udaipur
Date: 24.06.2021

ANNEXURE - C

{REPORT ON CROPORATE GOVERNANCE}

Report On Corporate Governance for the financial year ended March 31, 2021 (In accordance with Regulation 17 to 27 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations")

1. COMPANY'S PHILOSOPHY:

The Company's philosophy on Corporate Governance finds its roots in ethical governance practices. This philosophy has been sought to be strengthened through the Code of Conduct, the Whistle Blower Policy and the Code for Prevention of Insider Trading which have been adopted. The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

2. BOARD OF DIRECTORS:**2.1 Composition:**

The Board of Directors as on 31st March, 2021 comprises of (4) four Directors, two of which are Non-Executive and two are Non-Executive Independent who brings in a wide range of skills and experience to the Board.

None of the Directors on the Board are Member in more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are the Directors. The necessary disclosures regarding Committee positions have been made by the Directors.

The information as required under Regulation 17 of SEBI (LODR) Regulations, 2015 is being made available to the Board.

2.2 Composition of Board and attendance record:

| Name of Director | Category of Directorship | Attendance at | | No. of other Directorships and other Committee Memberships / Chairmanship | | |
|-------------------|----------------------------|----------------|----------|---|--------------------------|-------------------------|
| | | Board Meetings | Last AGM | Other Directorships# | Committee Memberships ## | Committee Chairmanships |
| Mr. Sanjay Minda | Non- Executive | 05 | Yes | 02 | 02 | - |
| Mrs. Chetna Minda | Non-Executive | 05 | No | 01 | - | - |
| Mr. Manjit Jajoo | Non-Executive Independent | 05 | No | - | - | - |
| Mr. Sandeep Jha | Non-Executive /Independent | 05 | Yes | - | - | - |

Alternate Directorships and directorships in private companies, foreign companies and Section 8 Companies are excluded.

Represents Memberships / Chairmanships of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. / Mr. Sanjay Minda & Mrs. Chetna Minda are related to each other.

The company does not pay any fees / compensation to any Non – Executive. Also, no sitting fee has been paid to any Non – Executive Director during the year.

Mr. Sanjay Minda is also Director and Non – Executive Chairperson on the Board of Wagend Infra Venture Limited.

2.3 Independent Directors: The Non-Executive Independent Directors fulfil the conditions of independence specified in the Section 149(6) of the Companies Act, 2013 and rules made thereunder and meet with requirement of Regulation 16(1)(b) of the SEBI (LODR) Regulations. A formal letter of appointment to Independent Director as provided in the Companies Act, 2013 and the SEBI (LODR) Regulations has been issued and disclosed on the website of the Company viz. www.adconcap.com.

2.4 Familiarisation Programme for Directors: At the time of appointing a Director, a formal letter of appointment is given to him, which *inter alia* explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliance required from him under the Companies Act, 2013, SEBI (LODR) Regulations and other relevant regulations and affirmation taken with respect to the same. Further, the Company has put in place a system to familiarise the Independent Directors about the Company, its business and the on – going events relating to the Company.

3. BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The notice of each Board Meeting is given to each Director. The Agenda along with the relevant notes and other material information are sent seven days in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board.

During the year 5 (Five) Board Meetings were held and the gap between two meetings did not exceeded 120 Days. The dates were: 16th April, 2020, July 31, 2020, September 04, 2020, November 10, 2020 and February 13, 2021.

4. COMMITTEES OF THE BOARD:

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are framed with the approval of the Board and functions under the respective charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the minutes of the Committee Meetings are placed before the Board for their noting.

The Board has currently the following committees:

(A) AUDIT COMMITTEE:

Composition: Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of SEBI (LODR) Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation and economics. Mr. Sandeep Jha, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. Manjit Jajoo and Mr. Sanjay Minda.

Meetings and Attendance: The Audit Committee met four times during the Financial Year 2020-21. The Company is in compliance with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 on gap between two Audit Committee Meetings. The Committee met on July 31, 2020, September 04, 2020, November 10, 2020 and February 13, 2021. The necessary quorum was present for all meetings. The table below provides the attendance of the Audit Committee members:

| Sr. No. | Name of the Director | Position | Category | No. of meetings attended |
|---------|----------------------|----------|----------------------------|--------------------------|
| 1. | Mr. Sandeep Jha | Chairman | Non-Executive Independent | 4 |
| 2. | Mr. Sanjay Minda | Member | Non-Executive Professional | 4 |
| 3. | Mr. Manjit Jajoo | Member | Non-Executive Independent | 4 |

Terms of Reference: The broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Auditors and Internal Audit department and to review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors etc. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee invites such of the executives, as it considers appropriate (and particularly the person responsible for the finance and accounts function) to be present at its meetings.

(B) NOMINATION AND REMUNERATION COMMITTEE

Composition: The Nomination and Remuneration Committee comprises of three Directors Mr. Manjit Jajoo is the Chairman of the Nomination and Remuneration Committee. The other members of the Nomination and Remuneration Committee include Mr. Sandeep Jha and Mr. Sanjay Minda. The composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

Meetings and Attendance: The Remuneration Committee met twice during the year on 31st July, 2020 and 13th February, 2021. The necessary quorum was present at the meeting. The table below provides the attendance of the Nomination and Remuneration Committee Members:

| Sr. No. | Name of the Director | Position | Category | No. of meetings attended |
|---------|----------------------|----------|----------------------------|--------------------------|
| 1. | Mr. Manjit Jajoo | Chairman | Non-Executive Independent | 2 |
| 2. | Mr. Sanjay Minda | Member | Non-Executive Professional | 2 |
| 3. | Mr. Sandeep Jha | Member | Non-Executive Independent | 2 |

Terms of Reference: The terms of reference of the 'Nomination and Remuneration Committee' are as follows:

- 1) To determine on behalf of the Board and on behalf of the Shareholders the Company's policy on specific remuneration packages for Directors, Key Managerial Personnel (KMP) and other employees including pension rights and any compensation payment;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and
- 4) Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

There is no sitting fees paid to Non - Executive Directors for attending Board and Committee Meetings and none of the Director directly hold any shares in the Company.

Performance Evaluation: Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors expressed their satisfaction with the evaluation process.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition: The stakeholder's relationship committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations read with section 178 of the Act. This Committee comprises of two Directors. Mr. Manjit Jajoo, Independent Director is the Chairman and Mr. Sanjay Minda, Director as member of this Committee. The table below highlights the composition and attendance of the members of the Committee. They met once 13th February, 2021 during the year and the meeting was attended by all the members.

| Sr. No. | Name of the Director | Position | Category | No. of meetings attended |
|---------|----------------------|----------|----------------------------|--------------------------|
| 1. | Mr. Manjit Jajoo | Chairman | Non-Executive Independent | 1 |
| 2. | Mr. Sanjay Minda | Member | Non-Executive Professional | 1 |

Terms of reference: The Board has clearly defined the terms of reference for this Committee, which generally meets once a month. The Committee looks into the matters of Shareholders / Investors grievances along with the redressal of the shareholders complaints in respect of any matter including transfer of shares, non receipt of annual report, non receipt of declared dividend etc.

Mr. Nikhil Borana, Company Secretary of the Company and Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agent (RTA) attends to all grievances of the shareholders received directly or through Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of

Corporate Affairs, Registrar of Companies etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Details of Shareholder's complaints Received, Solved and Pending Share Transfers

The Company received no complaints from the shareholders during the year 2020-21. There was no complaint outstanding as on March 31, 2021. The number of pending share transfers and pending requests for dematerialization as on March 31, 2021 were as submitted to Stock exchange. Shareholder's / Investor's complaints and other correspondence are normally attended within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2021.

6. SUBSIDIARY COMPANIES: The Company does not have any subsidiary.

7. AFFIRMATIONS AND DISCLOSURES:

- a. All mandatory requirements as per SEBI (LODR) Regulations have been complied with by the Company. However, in terms of the provisions of SEBI (LODR) Regulations, the compliance of the same is not mandatory as the paid share capital and net worth of the Company does not exceed Rs. 10 crores and Rs. 25 crores respectively as on the last day of the previous financial year.
- b. There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management or their relatives etc. that would conflict with the interests of the Company.
- c. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- d. In terms of SEBI (LODR) Regulations, the Director made a certification i.e. (CEO / CFO Certificate) to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.
- e. All the Directors of the Company have submitted declarations that they are not debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A Company Secretary in practice has submitted a Certificate to this effect is attached.

8. CORPORATE POLICIES / ETHICS:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and a Code of Conduct for Prevention of Insider Trading as detailed below has been

adopted pursuant to SEBI (LODR) Regulations and the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, respectively:

a. Code of Conduct for Board Members & Senior Management: The Board of Directors of the Company adopted the Code of Conduct for its members and the same is posted on the Company's website viz. www.adconcap.com. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association. The code is based on the principle that the Directors and Senior Management Personnel shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

b. Declaration affirming compliance of Code of Conduct: The Company has received confirmations from the Directors regarding compliance of the Code of Conduct during the year under review.

c. Code of Conduct for Prevention of Insider Trading: The Company has adopted the Code of Conduct for Prevention of Insider Trading for its Management and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and staff while dealing in shares. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors and others while dealing in shares. The code also contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code.

d. Whistle Blower Policy: Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provisions of direct access to the Chairperson of the Audit Committee in exceptional cases.

e. Compliance Certificate by Auditors: The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of corporate governance.

f. Reconciliation of Share Capital Audit Report: The Company obtains certificate from Practicing Company Secretary and submits the same to Stock Exchanges alongwith Share Capital Audit Report in terms of SEBI directive vide its circular CIR/MRD/DP/30/2010 dated September 6, 2010, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is submitted to the Stock Exchanges where the Shares of the Company are listed.

9. ANNUAL GENERAL MEETINGS:

The details of date, time and location of Annual General Meetings (AGM) held in previous three years are as under:

| AGM/EGM | DATE | TIME | VENUE |
|-------------|------------|------------|---|
| 2019-20 AGM | 26.09.2020 | 02.30 P.M. | 417, Chetak Centre NX, Near Hotel Shreemaya, R.N.T. Marg, Indore - 452001, MP Through |

| | | | |
|-------------|------------|------------|---|
| | | | Video Conferencing |
| 2018-19 AGM | 23.09.2019 | 12.30 P.M. | 417, Chetak Centre NX, Near Hotel Shreemaya, R.N.T. Marg, Indore – 452001, MP |
| 2017-18 AGM | 25.09.2018 | 12.30 P.M. | 417, Chetak Centre NX, Near Hotel Shreemaya, R.N.T. Marg, Indore – 452001, MP |

Except Special Resolution passed in the 25th AGM held on 23rd September, 2019 for re-appointment of Mr. Manjit Jajoo as an Independent Director there are no Special Resolutions passed in any of the previous three Annual General Meetings or any of the Extra Ordinary General Meeting held during the previous three years and during the year no Special Resolutions were passed through postal ballot and No Court-convened Meetings were held during the last three years.

10. MEANS OF COMMUNICATION:

- a). The quarterly un-audited financial results are published in English and Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company. The same are also available on the website of the Company viz. www.adconcap.com.
- b). The Management Discussion and Analysis Report, in compliance with the requirements of Clause b of Schedule 5 of SEBI (LODR) Regulations is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company.

11. GENERAL SHAREHOLDERS INFORMATION:

(a) ANNUAL GENERAL MEETING

| | |
|------------------------------|---|
| Date and Time | : September 20, 2021 at 12.30 p.m. |
| Venue | : Video Conferencing / Other Audio Visual Means |
| Dates of Book Closure | : September 13, 2021 to September 20, 2021 |

(b) FINANCIAL CALENDAR 2020-21 (TENTATIVE):

| | |
|--|--------------------------|
| First quarterly results | : August, 2021 |
| Second quarterly results | : November, 2021 |
| Third quarterly results | : February, 2022 |
| Annual results for the year ending on 31.03.2022 | : May, 2022 |
| Annual General Meeting for the year 2022 | : around September, 2022 |

- (c) **LISTING ON STOCK EXCHANGES:** The Company's Equity Shares are listed on BSE Limited. The Company has paid Annual Listing Fees as applicable, to the BSE Limited for the financial year 2021-22.

ISIN of Equity Shares:

| | |
|---------------|--------------------|
| ISIN Equity : | INE805Q01010 |
| Face Value : | Rs. 10/- per share |

- (d) **Registrar and Share Transfer Agent (RTA):** Your Company has appointed Purva Shareregistry India Private Limited as Registrar and Share Transfer agent and details of the same are as under;

Purva Shareregistry India Pvt. Ltd

9, Shivshakti Industrial Estate, J R Boricha Marg,
Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400 011
Tel: 91-22-2301 6761 / 8261
Fax: 91-22-2301 2517 Email ID: support@purvashare.com

- (e) **MARKET PRICE DATA:** The monthly high / low market price of the shares during the year 2020-21 at the BSE Limited is as under :

| Month | High (In Rs.) | Low (In Rs.) |
|--------------|---------------|--------------|
| April 20 | - | - |
| May 20 | - | - |
| June 20 | 9.85 | 9.85 |
| July 20 | 9.85 | 9.75 |
| August 20 | 9.75 | 8.80 |
| September 20 | 8.60 | 8.55 |
| October 20 | 8.56 | 8.54 |
| November 20 | 8.54 | 8.05 |
| December 20 | 8.05 | 7.13 |
| January 21 | 7.15 | 7.10 |
| February 21 | 7.15 | 6.46 |
| March 21 | 6.46 | 6.14 |

- (f) **SHARE TRANSFER SYSTEM:** The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Registrar and Share Transfer Agents (RTA). The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40 of the SEBI (LODR) Regulations with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.
- (g) **CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT:** The Director of the Company has furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls and SEBI (LODR) Regulations.

- (h) **DISTRIBUTION OF SHAREHOLDING:** The distribution of shareholding as on 31st March, 2021 is given below:

| Sr. No. | No of Equity Shares | No. of Shareholders | No. of Shares | % of Total shares |
|---------|---------------------|---------------------|-------------------|-------------------|
| 1. | 1 - 5,000 | 5,573 | 98,42,520 | 27.72 |
| 2. | 5,001 - 10,000 | 139 | 11,55,480 | 3.25 |
| 3. | 10,001 - 20,000 | 67 | 9,90,000 | 2.79 |
| 4. | 20,001 - 30,000 | 20 | 4,72,000 | 1.33 |
| 5. | 30,001 - 40,000 | 13 | 4,65,000 | 1.31 |
| 6. | 40,001 - 50,000 | 15 | 6,37,000 | 1.79 |
| 7. | 50,001 - 1,00,000 | 8 | 5,23,000 | 1.47 |
| 8. | 1,00,001 & Above | 26 | 21,42,6000 | 60.34 |
| | TOTAL | 5,861 | 35,51,1000 | 100.00 |

- (i) **Dematerialization of Shares and Liquidity:** The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. The demat position of the Company as on March 31, 2021 is as follows:

| Particulars of shares | Equity Shares of Rs. 10/- each | |
|-----------------------|--------------------------------|--------------|
| | Number | % of Total |
| NSDL | 1,73,121 | 4.87 |
| CDSL | 15,64,379 | 44.05 |
| Sub-total | 17,37,500 | 48.92 |
| Physical | 18,13,600 | 51.08 |
| TOTAL | 35,51,100 | 100 |

- (j) **Address for correspondence:** **Registered Office:** 417, Chetak Centre NX, Near Hotel Shreemaya, R.N.T. Marg, Indore (MP) - 452 001 / **Corporate Office:** 117, Hubtown Solaris, N. S. Phadke Marg, Near East - West Flyover, Andheri (East), Mumbai - 400 069, Maharashtra; Tel. No. 022 - 268 444 95 / 97. Designated exclusive e-mail id for Investor servicing: adconcap@gmail.com / Website: www.adconcap.com.

For and on behalf of the Board of Directors
For Adcon Capital Services Limited

Place: Mumbai
Date: 30.06.2021

Sd/-
Sanjay Minda
Chairman
DIN: 00034029

DECLARATION - CODE OF CONDUCT

In compliance to the Regulation of the SEBI (LODR) Regulations, all the Board members and senior management personnel have, for the year ended 31st March, 2021, affirmed compliance with the Code of Conduct laid down by the Board of Directors.

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

Place: **Mumbai**
Date: **30.06.2021**

Sd/-
Sanjay Minda
Chairman

DECLARATION BY THE MD / CFO

We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2021 and certify, to the best of our knowledge and belief, that:

- i. These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- ii. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- iii. No transactions entered into by the Company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
- iv. We accept responsibility for establishing and maintaining internal controls for financial reporting;
- v. We have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and have taken steps to rectify the same, wherever found;
- vi. Significant changes in internal control over financial reporting as well as significant changes in accounting policies, if any, have been intimated to the Auditors and the Audit Committee and have been disclosed in the notes to the financial statements;

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

Place: **Mumbai**
Date: **30.06.2020**

Sd/-
Sanjaykumar Minda
Chairman

GV JAIN & CO. COMPANY SECRETARIES

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
Adcon Capital Services Limited
417, Chetak Centre NX,
Near Hotel Shreemaya, R.N.T. Marg,
Indore - 452001, Madhya Pradesh

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Adcon Capital Services Limited** having CIN: **L67120MP1994PLC008511** and having registered office at 417, Chetak Centre NX, Near Hotel Shreemaya, R.N.T. Marg, Indore, Madhya Pradesh - 452001. (hereinafter referred to as the “**Company**”) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority;

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---------|-----------------------|----------|--------------------------------|
| 1. | Sanjay Nathmal Minda | 00034029 | 19-04-2010 |
| 2. | Chetna Sanjay Minda | 00240265 | 31-03-2015 |
| 3. | Manjit Tolaram Jajoo | 01988243 | 02-12-2010 |
| 4. | Sandeep Premkumar Jha | 08068777 | 14-02-2018 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **G V Jain &Company**
Company Secretaries

Sd/-

Gunjan Vijendra Jain
(Proprietor)

FCS No. 10108

C.P. No. 13100

UDIN:F010108C000508804

Place: Mumbai
Date: 24.06.2021

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

We have examined the compliance of the conditions of Corporate Governance by **Adcon Capital Services Limited ('the Company')** for the year ended 31st March, 2021, as stipulated in SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ('Listing Regulation') and applicable to the said Company.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s Gupta Saharia & Co.
Chartered Accountants**

Sd/-
(S.S. Rathi)
Partner

**Place: Mumbai
Date: 30.06.2021**

**Membership No.: 73373
Firm Reg. No. 103446W**

ANNEXURE - D

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is in the business of financial and investment activities. The key issues of the Management Discussion and Analysis are given below.

- (A) **INDUSTRY STRUCTURE AND DEVELOPMENTS:** The Company is engaged in Investments, Finance and derives its revenue from said activities. The fortune of the Finance industry is expected to be positive across the emerging markets economies and to a large extent, linked to the growth of the Country. The proposed infrastructure spending by the Government will give and opportunity to the Companies across Financial Service industry to perform in the coming years.
- (B) **STRENGTH:** The strength of the Company is known from its values which the Company has earned over a decade and its cordial relation with its clients and presently the Company's financial position is improving on account of positive sentiments in capital market activities.
- (C) **COMMENT ON CURRENT YEAR'S PERFORMANCE:** The management of the Company is considering various options to review the business activities of the Company and is hopeful to achieve the future objectives.
- (D) **OPPORTUNITIES AND THREATS:** The confidence in the security situation and the stability of the country has created a positive macroeconomic environment. Economic development is expected in all areas of the country. The existing high competition could lead to the lowering of profit margins and a reduction in market share. The new regulations relevant to capital adequacy and liquidity may create pressure on profit margins. Special attention is paid to customer retention, and attracting new customers, leading to high advertising and promotional costs. Policies are implemented in order to take required action, with regard to the identified threats.
- (E) **SEGMENT WISE PERFORMANCE:** The business of the Company falls under a single segment i.e. Investments, and Related Financial activities for the purpose of Accounting Standard AS-17.
- (F) **OUTLOOK:** The continual growth in the financial service sector is expected to give the necessary support to the Finance industry. The Company is making all efforts to accelerate growth of its business activities. It expects to improve its position in the market by focusing on technologically advanced and more profitable products / market segments and working aggressively in the areas of productivity, efficiency and cost reductions.
- (G) **RISK AND CONCERNS:** The negative growth in western countries and slow recovery of United States of America coupled with slowdown in European Countries are major cause of concern of growth.
- (H) **INTERNAL CONTROL SYSTEM:** Internal audit and other controls have been found to be adequate. These are reviewed periodically by the Audit Committee and found the performance satisfactory.

INDEPENDENT AUDITOR'S REPORT

To the Members of **ADCON CAPITAL SERVICES LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ADCON CAPITAL SERVICES LIMITED** Company ("the Company"), which comprise the balance sheet as at 31st March 2021 and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year 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, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on those matters.

In our opinion and according to the information and explanation given to us, there were no key audit matters which required to be reported.

We have determined the matter mentioned below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's response |
|--|---|
| Expected credit loss allowances | |
| Ind-AS accounting framework was implemented on | We understood and assessed the appropriateness of the impairment models developed and used by |

| | |
|---|--|
| <p>April 1st, 2018. Accordingly Ind-AS 109 is a new and complex standard that requires the Company to recognise Expected Credit Loss (ECL) on financial Instruments. This is a significant departure from the earlier rule based provisioning. Expected credit loss allowances relating to loans and advances are determined on a portfolio basis, with the use of Impairment models. These models are based on historical loss experience and use a number of key assumptions including probability of default, loss given default (including propensity for possession and forced sale discounts for mortgages) and Valuation of recoveries. Our work therefore focused on the appropriateness of modeling methodologies Adopted and the significant judgments required.</p> | <p>the management at the entity level. This included Assessing and challenging the appropriateness of key modeling judgments (e.g. the transfer criteria used to determine significant increase in credit risk). We tested the formula applied within the calculation files, the completeness and accuracy of key data inputs, sourced from underlying systems that are applied in the calculation. We also tested the reconciliation of loans and advances between underlying source systems and the expected credit loss models. Our opinion is not modified in respect of this matter</p> |
|---|--|

“Information Other than the Financial Statements and Auditor’s Report Thereon”

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board Report including Annexure to Boards Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We conclude that there is no material misstatement of other information.

Responsibilities of Management Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We 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.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Company's Balance Sheet, the Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. Since With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For M/s Gupta Saharia & Co.
Chartered Accountants**

Sd/-
(S.S. Rathi)
Partner

Membership No.: 73373
Firm Reg. No. 103446W
ICAI UDIN: 21073373AAAAQN5511

Place: Mumbai
Date: 30.06.2021

ANNEXURE - A: TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 of the Independent Auditors' Report of even date to the members of **ADCON CAPITAL SERVICES LIMITED** on the financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) Since the Company does not have any Immovable property the sub clause (c) of clause (i) of Paragraph 3 of the said Order is not Applicable to the Company.
- ii. The Company's nature of operation does not require it to hold the inventories and hence the clause (ii) of Paragraph 3 of the said Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and The provisions of section 186 of the Companies Act, 2013 in respect of loans and investments made by Company are not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, duty of customs , value added tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.

- viii. The Company has not borrowed from Financial Institutions, Banks Government or through Debentures and therefore the Clause (viii) of the said Order is not applicable.
- ix. The Company has not raised any moneys by initial public offer or further public offer (including debt instruments) and term loan and therefore the provisions of Clause 3(ix) of the said Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. There being no managerial personnel in the Company and therefore no managerial remuneration was required to be paid as per the provision of section of the Companies Act, 2013. Therefore Clause (xi) of the Order is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties and the requirements as mandated are complied with by the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The company is Non-Banking Financial Companies (NBFC) registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For M/s Gupta Saharia & Co.
Chartered Accountants**

Sd/-
(S.S. Rathi)
Partner

**Membership No.: 073373
Firm Reg. No. 103446W**

ICAI UDIN: 21073373AAAAQN5511

**Place: Mumbai
Date: 30.06.2021**

ANNEXURE-‘B’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of the independent auditors’ report of even date on the standalone financial statements of the Company for the year ended 31st March, 2021)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Adcon Capital Services Limited (“the Company”) as of 31st March, 2021 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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. 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 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, 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The company's internal financial control over financial reporting 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 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the 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 M/s Gupta Saharia & Co.
Chartered Accountants**

Sd/-
(S.S. Rathi)
Partner

Membership No.: 073373

Firm Reg. No. 103446W

ICAI UDIN: 21073373AAAAQN5511

Place: Mumbai
Date: 30.06.2021

ADCON CAPITAL SERVICES LIMITED
CIN : L67120MP1994PLC008511
BALANCE SHEET AS AT 31ST MARCH, 2021

| | PARTICULARS | Note No. | As At 31.03.2021 | As At 31.03.2020 |
|----------|---|----------|---------------------|---------------------|
| A | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 2.1 | 2,648 | 2,648 |
| | (b) Non - Current Financial Assets | | - | - |
| | (i) Non-Current Investments | | - | - |
| | (ii) Trade receivables | | - | - |
| | (iii) Loans | | - | - |
| | (c) Deferred tax assets (net) | 2.2 | 51,254 | 60,254 |
| | (d) Other non-current assets | 2.3 | - | - |
| | Total - Non-current assets | | 53,902 | 62,902 |
| 2 | Current assets | | | |
| | (a) Inventories | | - | - |
| | (b) Financial Assets | | | |
| | (i) Current Investments | 2.4 | 5,398,770 | 5,817,572 |
| | (ii) Current Trade receivables | 2.5 | 86,993.00 | - |
| | (iii) Cash and cash equivalents | 2.6 | 640,265 | 524,677 |
| | (iv) Bank balances other than(iii) above | | - | - |
| | (v) Loans | 2.7 | 29,895,749 | 28,853,765 |
| | (c) Current Tax Assets (Net) | 2.8 | 535,640 | 411,178 |
| | (d) Other current assets | | - | - |
| | Total - Current assets | | 36,557,417 | 35,607,192 |
| | TOTAL ASSETS (1 + 2) | | 36,611,318 | 35,670,093 |
| B | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share capital | 2.9 | 35,511,000 | 35,511,000 |
| | (b) Other Equity | 2.10 | 865,968 | (311,512) |
| | Total - Equity | | 36,376,968 | 35,199,488 |
| 2 | LIABILITIES | | | |
| I. | Non-current liabilities | | | |
| | Total - Non-current liabilities | | - | - |
| II. | Current liabilities | | | |
| | (a) Current Financial Liabilities | | | |
| | (ii) Trade payables | | - | - |
| | (b) Other current liabilities | 2.11 | 10,000 | 463,605.38 |
| | (c) Provisions | 2.12 | 224,350 | 7,000 |
| | (d) Current Tax Liabilities (Net) | | - | - |
| | Total - Current liabilities | | 234,350 | 470,605 |
| | Total Liabilities | | 234,350 | 470,605 |
| | TOTAL EQUITY AND LIABILITIES (1 + 2) | | 36,611,318 | 35,670,094 |

See accompanying notes forming part of the financial statements as under

Significant Accounting Policies and

1

Notes to Financial Statement

2

The Notes referred to above form and integral part of Statement of Balance Sheet

As per our report of even date

In terms of our report attached.

For M/s Gupta Saharia & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Sd/-
(S.S. Rathi)
Partner
Membership No.: 73373
Firm Reg. No. 103446W

Sd/-
Sanjay Minda
Director
DIN: 00034029

Sd/-
Chetna Minda
Director
DIN: 00240265

Place : Mumbai
Date : 30.06.2021

Sd/-
Nikhil Borana
Company Secretary

Sd/-
Manoj Mishra
CEO

| ADCON CAPITAL SERVICES LIMITED (CIN L67120MP1994PLC008511) Profit and Loss for the year ended 31st March, 2021 | | | | |
|--|--|---|---|---|
| Particulars | | Note | For the year ended 31st March, 2021 Rs. | For the year ended 31st March, 2020 Rs. |
| 1 | TOTAL INCOME | | | |
| | Revenue from operations | 2.13 | 2,309,501 | 2,304,750 |
| | Other Income | 2.14 | 531,870 | 248,136 |
| | Total Income | | 2,841,371 | 2,552,886 |
| 2 | Expenses | | | |
| | (a) Purchases of Stock in Trade | | - | - |
| | (b) Changes in Inventories of Finished Goods | | - | - |
| | (c) Employee benefits expenses | 2.15 | 602,696 | 616,880 |
| | (d) Depreciation and amortisation expenses | 2.16 | - | - |
| | (e) Other Expenses | 2.17 | 856,800 | 1,736,237 |
| | Total Expenses | | 1,459,496 | 2,353,117 |
| 3 | Total Profit / (Loss) before Exceptional items (1 - 2) | | 1,381,875 | 199,769 |
| | Exceptional items | | - | - |
| 4 | Net Profit / (Loss) before tax (3 - 4) | | 1,381,875 | 199,769 |
| 5 | Tax expenses: | | | |
| | (a) Income Tax of Current Year | | 195,396 | - |
| | (b) Prior years Income Tax | | - | 1 |
| | (c) Deferred Tax | | 9,000 | 38,603 |
| 6 | Net Profit/(Loss) for the period (4 - 5) | | 1,177,479 | 161,165 |
| 8 | Earnings per share (FV of Rs. 10/-): | | | |
| | (a) Basic | | 0.33 | 0.05 |
| | (b) Diluted | | 0.33 | 0.05 |
| See accompanying notes forming part of the financial statements as under | | | | |
| Significant Accounting Policies and | | 1 | | |
| Notes to Financial Statement | | 2 | | |
| In terms of our report attached. | | | | |
| For M/s Gupta Saharia & Co. | | For and on behalf of the Board of Directors | | |
| Chartered Accountants | | | | |
| | | Sd/- | Sd/- | |
| | | Sanjay Minda | Chetna Minda | |
| (S.S. Rathi) | | Director | Director | |
| Partner | | DIN: 00034029 | DIN: 00240265 | |
| Membership No.: 73373 | | | | |
| Firm Reg. No. 103446W | | | | |
| | | Sd/- | Sd/- | |
| Place : Mumbai | | Nikhil Borana | Manoj Mishra | |
| Date : 30.06.2021 | | Company Secretary | CEO | |

ADCON CAPITAL SERVICES LIMITED

CIN : L67120MP1994PLC008511

Cash Flow Statement for the year ended March 31, 2021

| | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|-----------|---|--------------------------------------|--------------------------------------|
| | | Amount (Rs.) | Amount (Rs.) |
| A. | Cash flow from Operating Activities | | |
| | Net profit before taxation | 1,381,875 | 199,769 |
| | Adjustments for: | | |
| | Preliminary Expenses | - | 224,720 |
| | Depreciation | - | - |
| | Operating profit before Working Capital changes | 1,381,875 | 424,489 |
| | Changes in Working Capital | | |
| | (Increase) / Decrease in Trade Receivables | (86,993) | - |
| | (Increase) / Decrease in Loans and Advances | (1,041,984) | (840,752) |
| | (Increase) / Decrease in Other Current Assets | (124,462) | (122,469) |
| | Increase / (Decrease) in Other Current Liabilities | (453,605) | 450,134 |
| | Increase / (Decrease) in Short Term Provisions | 217,350 | - |
| | Cash generated from operations | (107,819) | (88,598) |
| | Income Taxes (paid)/ refund | 195,396.00 | 1 |
| | Net cash inflow from/(outflow) from Operating Activities | (303,215) | (88,599) |
| B. | Cash flow from Investing Activities | | |
| | Purchase of Investment | (919,454) | (348,109) |
| | Proceed from sale of Investment | 1,338,257 | 455,899 |
| | Net cash inflow from/(outflow) from Investing Activities | 418,802 | 107,790 |
| C. | Cash flow from Financing Activities | | |
| | Net cash inflow from/(outflow) from Financing Activities | - | - |
| | Net increase/(decrease) in Cash and Cash Equivalents | 115,587 | 19,191 |
| | Opening Cash and Cash Equivalents | 524,678 | 505,487 |
| | Closing Cash and Cash Equivalents | 640,265 | 524,678 |

See accompanying notes to the financial statements, as under

| | |
|-----------------------------------|---|
| Significant Accounting Policies | 1 |
| Notes to the Financial Statements | 2 |

In terms of our report of even date

For M/s. Gupta Saharia & Co.

Chartered Accountants

Firm's Registration No. : 103446W

S.S. Rathi

Partner

Membership No. : 73373

Place: Mumbai

Date: 30.06.2021

For and on behalf of Board of Directors

Sd/-

Sanjay Minda

Director

DIN 00034029

Sd/-

Nikhil Borana

Company Secretary

Sd/-

Chetna Minda

Director

DIN 00240265

Sd/-

Manoj Mishra

CEO

ADCON CAPITAL SERVICES LIMITED
ANNUAL REPORT: 2020-21

NOTE - 1:

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2021

A. Corporate Information:

Adcon Capital Services Limited ("the company") is a NBFC Company domiciled in India and its registered office in Indore, Madhya Pradesh. The Company was incorporated under the provisions of Companies Act, 1956 and Registered with Reserve Bank of India as Non Deposit Accepting Company. The Equity Shares of the Company are listed on the BSE Limited. The Company is operating in financial services viz. Capital market operations, corporate financing, Investment and trading, Project and management consultancy services of financing etc.

B. Basis of Preparation of Financial Statement:

The financial statements are prepared in accordance with and are in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements are based on Ind AS Schedule III of the Companies Act, 2013.

C. Revenue recognition:

- a) Revenue (Income) is recognized when no significant uncertainty as to measurability or collectability exists.
- b) Revenue from operation includes Interest Income from Loans & Advances given.
- c) Interest income is accounted for on an accrual basis. Dividend income is accounted for when the right to receive income is established.

D. Property, Plant and Equipment:

Tangible Assets:

Tangible Assets are stated at cost of acquisition includes any direct and indirect cost, if any, for bringing the assets to its working condition for its intended use, less accumulated depreciation and impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets

An item is recognized as an intangible asset if it meets the definition of an intangible asset. However the company has not acquired any Intangible Assets.

ADCON CAPITAL SERVICES LIMITED
ANNUAL REPORT: 2020-21

E. Transfer to Reserves

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 Statutory Reserves under this section accordingly; a sum of Rs.2,21,650 equal to 20% of its net profit in respect of financial years 2020-2021 is transferred to statutory reserve as required during the current year.

F. Depreciation:

The Company depreciates its fixed assets over the useful life in the manner prescribed in schedule II of the Companies Act, 2013.

Depreciation on additions \ disposals to the fixed assets during the year is provided on pro-rata basis from \ to the date of such additions \ disposals as the case may be.

G. Investments:

Non – Current investments and Current investments are valued at cost. Diminution in value (as per fair value measurement) if any, which is of a temporary nature, is not provided. However, the Company has no Non – Current Investments.

H. Cash & Cash Equivalent:

Cash comprises cash on hand and current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

I. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

J. Employees Benefit Expenses:

As per management's view none of the current employees shall complete their term of service of five years, hence actual valuation of gratuity is not done.

K. Sundry Debtors and Receivables:

Sundry Debtors and Loans and Advances are stated at the value if realized in the ordinary course of business. Irrecoverable amounts, if any are accounted and / or provided for as per management's judgment or only upon final settlement of accounts with the parties.

L. Provisions, Contingent Liabilities and Contingent Assets:

ADCON CAPITAL SERVICES LIMITED
ANNUAL REPORT: 2020-21

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

M. Taxes on Income:

Provision for income tax is made on the basis of estimated taxable income for the year at current rates.

Current Tax represents the amount of income tax payable in respect of the taxable income for the reporting period as determined in accordance with the provisions of the income tax act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or subsequently enacted at the Balance sheet date. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off. Deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. If the Company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidences that they can be realized against future taxable profits. Unrecognized deferred tax assets of earlier year are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

N. Earnings per Share (EPS)

Basic EPS is computed by dividing the net profit for the year attributable to the Equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the equity shareholders by weighted average number of equity shares and dilutive potential equity shares outstanding during the year – end, except where the results would be anti-dilutive.

Note 2.1 Property, Plant and Equipment

| Description | Gross Block | | | | Depreciation Block | | | | Net Block | |
|-------------------------------|-------------------|-----------|----------------------------|-------------------|--------------------|-------------------------|----------------------------|-------------------|-------------------|-------------------|
| | As at 01.04.20 | Additions | Deductions/ Adjustments | As at 31.03.21 | As at 01.04.20 | Charged For the year | Deductions/ Adjustments | As at 31.03.21 | As at 31.03.21 | As at 31.03.20 |
| <u>Tangible Assets</u> | | | | | | | | | | |
| Computers | 85,450 | - | - | 85,450 | 82,803 | - | - | 82,803 | 2,648 | 2,648 |
| | | | | | | - | - | - | | |
| Total : | 85,450 | - | - | 85,450 | 82,803 | - | - | 82,803 | 2,648 | 2,648 |
| | | | | | | | | | | |
| Previous Year : | 85,450 | - | - | 85,450 | 82,803 | - | - | 82,803 | 2648 | 2,648 |

ADCON CAPITAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.2 Deferred Tax Assets (Net)

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|--|----------------------|----------------------|
| | Rs. | Rs. |
| <u>DEFERRED TAX ASSET (NET)</u> | | |
| Tax effect of items constituting deferred tax assets | 51,254 | 60,254 |
| On difference between book balance and tax balance of fixed assets | 51,254 | 60,254 |

Note 2.3 Other Non Current Asset

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|----------------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| Other Non Current Asset | | |
| Unamortized Preliminary expenses | - | - |
| | - | - |

Note 2.4 Current investments

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|---|----------------------|----------------------|
| | Rs. | Rs. |
| <u>CURRENT INVESTMENTS</u> | | |
| Other current investments | | |
| Investment in Quoted Equity Instruments | | |
| Arshiya International Limited | 379,571 | 379,571 |
| Biocon Limited | 39,583 | 227,233 |
| Burger King India Limited | 117,967 | - |
| MSTC Limited | 154,569 | - |
| Grandma Trading and Agencies Limited | 525,152 | 525,152 |
| HDFC Asset Management Co Limited | 171,448 | 146,005 |
| IDFC Bank Limited | 125,257 | 125,257 |
| Intellect Design Arena Limited | 84,640 | 122,833 |
| JSW Energy Limited | 157,414 | 314,828 |
| P G Electroplast Limited | 197,279 | 197,279 |
| RPG Life Sciences Limited | 148,985 | 365,354 |
| Sam Leaseco Limited | 22,714 | 22,714 |
| Sastasundar Ventures Ltd (Microsec Financial Services Ltd) | - | - |
| Simplex Project Limited | 324,737 | 324,737 |
| Tanla Solution Limited | - | 117,155 |
| Valecha Engineering Limited | 55,246 | 55,246 |
| Autolite India Limited | 349,481 | 349,481 |
| Balasore Alloys Limited | 22,730 | 22,730 |
| Udaipur Cement Works Limited | 303,240 | 303,240 |
| HCL Infosystem Limited | 291,806 | 291,806 |
| Ujjivan Financial Services Limited | - | - |
| Virinchi Limited | 488,168 | 488,168 |
| Webelsol Energy System Limited | 658,189 | 658,189 |
| Aditya Birla Capital Limited | 90,510 | 90,510 |
| FirstSource Solutions Limited | 90,083 | 90,083 |
| Unquoted Investments | | |
| Padamprabhu Project Private Limited | 600,000 | 600,000 |
| | 5,398,770 | 5,817,572 |
| Aggregate amount of Quoted Investment | 4,798,770 | 5,217,572 |
| Aggregate Market Value of Quoted investments | 1,924,158 | 3,136,924 |
| Aggregate amount of Unquoted Investment | 600,000 | 600,000 |
| Aggregate provision for diminution in value of investments. | - | - |

Note 2.5 Trade receivables

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|----------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| TRADE RECEIVABLES | | |
| Unsecured, considered good | 86,993 | 0 |
| | 86,993 | 0 |

Note 2.6 Cash and cash equivalents

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|----------------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| Cash and Cash Equivalents | | |
| (a) Cash In hand | - | 1,551 |
| (b) Balance with Banks | | |
| In Current Accounts | 640,265 | 523,126 |
| | 640,265 | 524,677 |

Note 2.7 Short-term loans and advances

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|-------------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| Loans & Advances | | |
| (Unsecured & considered good) | | |
| Inter-corporate deposits | 14,768,900 | 12,862,300 |
| Prepaid Expenses | 4,550 | 8,911 |
| Other Advances | 15,122,299 | 15,982,554 |
| | 29,895,749 | 28,853,765 |

Note 2.8 Other Current Assets

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|-----------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| CURRENT ASSETS (NET) | | |
| MAT Credit A Y 2021-22 | 28,954 | |
| MAT Credit A Y 2020-21 | 31,164 | 31,164 |
| MAT Credit A Y 2019-20 | 94,824 | 94,824 |
| MAT Credit A Y 2018-19 | 184,306 | 184,306 |
| MAT Credit A Y 2017-18 | 9,248 | 9,248 |
| T.D.S for A Y 2020-21 | 76,336 | 91,636 |
| T.D.S. for A Y 2021-22 | 106,470 | - |
| GST Input | 4,338 | |
| | 535,640 | 411,178 |

Note 2.11 Other Current Liabilities

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|----------------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| OTHER CURRENT LIABILITIES | | |
| Audit Fees Payable | 10,000 | 11,800 |
| Other Current Liability | - | 451,805 |
| | 10,000 | 463,605 |

Note 2.12 Short-term provisions

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|---------------------------|----------------------|----------------------|
| | Rs. | Rs. |
| PROVISIONS | | |
| Provision for Income Tax | 224,350 | - |
| Other Provisions | | |
| Professional Fees Payable | - | 7,000 |
| | 224,350 | 7,000 |

ADCON CAPITAL SERVICES LIMITED
Notes forming part of the financial statements

Note 2.9 Share capital

| Particulars | As at 31 March, 2021 | | As at 31 March, 2020 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Number of shares | Rs. | Number of shares | Rs. |
| Authorised Capital | | | | |
| Equity shares of Rs. 10/- each with voting rights | 4,000,000 | 40,000,000 | 4,000,000 | 40,000,000 |
| Issued, Subscribed and Paid up Capital | | | | |
| Equity shares of Rs. 10/- each with voting rights | 3,551,100 | 35,511,000 | 3,551,100 | 35,511,000 |
| Total | 3,551,100 | 35,511,000 | 3,551,100 | 35,511,000 |

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Addition | Deduction | Closing Balance |
|----------------------------------|-----------------|----------|-----------|-----------------|
| Equity shares with voting rights | | | | |
| Year ended 31 March, 2021 | | | | |
| - Number of shares | 3,551,100 | 0.00 | 0.00 | 3,551,100 |
| - Amount (Rs.) | 35,511,000 | 0.00 | 0.00 | 35,511,000 |
| Year ended 31 March, 2020 | | | | |
| - Number of shares | 3,551,100 | 0.00 | 0.00 | 3,551,100 |
| - Amount (Rs.) | 35,511,000 | 0.00 | 0.00 | 35,511,000 |

(ii) Terms and Rights attached to equity shares:

- The company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exist currently.

(iii) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2021 | | As at 31 March, 2020 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| a) M J Commodities Private Limited | 840,060 | 23.66% | 840,060 | 23.66% |
| b) Proficient Merchandise Pvt Ltd | 299,940 | 8.45% | 299,940 | 8.45% |
| | - | | - | |

ADCON CAPITAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.13 Revenue from Operation

| Particulars | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Revenue from Operation | | |
| Interest Income | | |
| on short term loans & advances | 2,309,501 | 2,304,750 |
| Total | 2,309,501 | 2,304,750 |

Note 2.14 Other income

| Particulars | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
|-------------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Other Financial income | | |
| Dividend | 11,835 | 21,430 |
| Long Term Capital Gain | 334,712 | 226,706 |
| Short Term Capital Gain | 19,477 | 0 |
| Future & Option | 164,418 | 0 |
| Other Income | 1,428 | 0 |
| Total | 531,870 | 248,136 |

Note 2.15 Employee benefits expense

| Particulars | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
|--------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Salaries and wages | 559,500 | 574,350 |
| Staff Welfare | 43,196 | 42,530 |
| Total | 602,696 | 616,880 |

Note 2.16 Depreciation

| Depreciation relating to continuing operations: | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
| | Rs. | Rs. |
| Depreciation for the year on tangible assets as per Note 2.1 | 0 | 0 |
| Total | 0 | 0 |

Note 2.17 Other expenses

| Particulars | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
|----------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Advertising Expense | 11,218 | 16,401 |
| Audit fees | 10,000 | 11,800 |
| Depository Fee | 34,074 | 28,155 |
| Loss in Future & Option | - | 668,832 |
| Listing Fees | 354,000 | 354,000 |
| Membership Fees CIC | 11,800 | 5,900 |
| Office Expenses | 38,550 | 28,299 |
| Postage & Telegram Charges | - | - |
| Preliminary Expenses | - | 224,720 |
| Printing and stationery | 8,000 | 14,000 |
| Rent Paid | 234,361 | 233,177 |
| RTA Charges | 76,020 | 75,907 |
| Telephone Charges | 5,638 | 7,440 |
| Traveling & Conveyance | 54,305 | 39,365 |
| Filing Fees | 2,400 | 1,200 |
| Legal & Professional Fees | 8,850 | 16,350 |
| Demat Charges | 584 | 2,431 |
| Website Charges | 7,000 | 8,260 |
| Total | 856,800 | 1,736,237 |

ADCON CAPITAL SERVICES LIMITED
ANNUAL REPORT: 2020 -21

NOTE 2: OTHER NOTES TO ACCOUNTS:

18. Earnings Per Equity Share:

| Particulars | For the year end 31.03.2021 | For the year end 31.03.2020 |
|---|--------------------------------|--------------------------------|
| Net Profit / Loss attributable for Equity Shareholder | 11,08,249 | 1,61,165 |
| Number of Equity Shares outstanding | 35,51,100 | 35,51,100 |
| Face value per Equity Shares (Rs.) | 10 | 10 |
| Basic / Diluted Earnings per share (Rs.) | 0.31 | 0.05 |

19. Payment to Auditors:

| Sr. No. | Particulars | 31.03.2021 | 31.03.2020 |
|---------|----------------------|---------------|---------------|
| 1. | Statutory Audit Fees | 10,000 | 11,800 |
| | Total: | 10,000 | 11,800 |

20. There was no amount due as on March 31, 2021 as reported to us from / to Micro, small & Medium Enterprises as per MSMED Act, 2006.

21. Related party disclosure:

21.i: List of related parties over which control exists/exercised:

Mrs. Chetna Minda - Director

21.ii: Key management personnel

Mr. Manoj Mishra - CEO

Mr. Nikhil Borana - Company Secretary

21.iii: Disclosure of related party transactions

| Particular | 31.03.2021 | 31.03.2020 |
|---|-----------------|-----------------|
| Compensation to Key Managerial Personnel | 4,51,000 | 4,21,350 |
| Rent Paid | 2,34,361 | 2,33,177 |

22. Deferred Tax:

Components of deferred tax liabilities are provided by applying the applicable rate of tax to the taxable income of the year. Deferred Tax benefits are recognized on assets to the extent it is more likely than not that future taxable profits will be available against which the asset can be utilized.

The Company has a deferred tax asset of Rs. 51,254/- (P.Y. Rs. 60,254/-)

23. Segment Reporting:

As the company operates in only one business and operates only in one geographical segment i.e. domestic, the disclosure requirements under IND - AS 108 - "Operating Segment" is not required.

24. The Company has not entered into any transaction involving any Foreign Currency.

25. Miscellaneous Expenditure:

Miscellaneous Expenditure / preliminary expenses comprising of share issue expenses are written off in five equal installments.

26. There are no amounts due and outstanding to be credited to investor education and protection funds.

27. Previous year's figures have been regrouped / reclassified / rearranged / recast wherever necessary to match with current year's presentation.

In terms of our report of even date

For M/s. Gupta Saharia & Co.

Chartered Accountants

Firm's Registration No. : 103446W

For and on behalf of Board of Directors

Sd/-

S.S. Rathi

Partner

Membership No. : 73373

Sd/-
Sanjay Minda
Director
DIN 00034029

Sd/-
Chetna Minda
Director
DIN 00240265

Place: Mumbai
Date: 30.06.2021

Sd/-
Nikhil Borana
Company Secretary

Sd/-
Manoj Mishra
CEO

**Schedule to the Balance Sheet of ADCON CAPITAL SERVICES LIMITED for the year 31.03.2021
a Non-Deposit taking Non-Banking Financial Company**

| | PARTICULARS | | (Rs. In Lakhs) |
|------|--|---------------------------|-----------------------|
| | LIABILITIES SIDE: | | |
| 1) | Loans and Advances availed by the Non-banking financial company inclusive of interest accrued thereon but not paid: | Amount outstanding | Amount Overdue |
| a) | Debentures: | | |
| | Secured | 0.00 | 0.00 |
| | Unsecured | 0.00 | 0.00 |
| | (Other than falling within the meaning of public deposits*) | | |
| b) | Deferred Credits | 0.00 | 0.00 |
| c) | Term Loans | 0.00 | 0.00 |
| d) | Inter-Corporate Loans and Borrowing | 0.00 | 0.00 |
| e) | Commercial Paper | 0.00 | 0.00 |
| f) | Other Loans (Specify Nature) | 0.00 | 0.00 |
| | * Please see Note 1 below | | |
| | ASSETS SIDE: | | |
| 2) | Break-up of Loans and Advances including bills receivable (other than those included in (4) below): | Amount outstanding | |
| a) | Secured | 0.00 | 0.00 |
| b) | Unsecured | 299 | 0.00 |
| 3) | Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities | | |
| i) | Lease assets including lease rentals under sundry debtors : | | |
| a) | Financial Lease | 0.00 | 0.00 |
| b) | Operating lease | 0.00 | 0.00 |
| ii) | Stock on hire including hire charges under sundry Debtors: | | |
| a) | Asset on Hire | 0.00 | 0.00 |
| b) | Repossessed Assets | 0.00 | 0.00 |
| iii) | Other loans counting towards AFC Activities: | | |
| a) | Loans where assets have been repossessed | 0.00 | 0.00 |
| b) | Loans other than (a) above | 0.00 | 0.00 |
| 4) | Break-up of Investments: | | |
| | Current Investments: | | |
| 1 | Quoted: | | |
| i) | Shares: | | |
| | a) Equity | 48 | 0.00 |
| | b) Preference | 0.00 | 0.00 |
| ii) | Debentures and Bonds | 0.00 | 0.00 |
| iii) | Units of Mutual funds | 0.00 | 0.00 |
| iv) | Government Securities | 0.00 | 0.00 |
| v) | Others (Please Specify) | 0.00 | 0.00 |
| 2 | Unquoted: | | |
| i) | Shares: | | |
| | a) Equity | 6 | 0.00 |
| | b) Preference | 0.00 | 0.00 |
| ii) | Debentures and Bonds | 0.00 | 0.00 |
| iii) | Units of Mutual funds | 0.00 | 0.00 |
| iv) | Government Securities | 0.00 | 0.00 |
| v) | Others (Please Specify) | 0.00 | 0.00 |
| | Long Term Investments: | | |
| 1 | Quoted: | | |
| i) | Shares: | | |
| | a) Equity | 0.00 | 0.00 |
| | b) Preference | 0.00 | 0.00 |
| ii) | Debentures and Bonds | 0.00 | 0.00 |
| iii) | units of Mutual funds | 0.00 | 0.00 |
| iv) | Government Securities | 0.00 | 0.00 |
| v) | Others (Please Specify) | 0.00 | 0.00 |

**Schedule to the Balance Sheet of ADCON CAPITAL SERVICES LIMITED for the year 31.03.2021
a Non-Deposit taking Non-Banking Financial Company**

| | | | |
|-----------|--|---|---------------------------------------|
| 2 | Unquoted: | | |
| i) | Shares: | | |
| | a) Equity | 0.00 | 0.00 |
| | b) Preference | 0.00 | 0.00 |
| ii) | Debentures and Bonds | 0.00 | 0.00 |
| iii) | units of Mutual funds | 0.00 | 0.00 |
| iv) | Government Securities | 0.00 | 0.00 |
| v) | Others (Please Specify) | 0.00 | 0.00 |
| 5) | Borrower group-wise classification of asset financed as in (2) and (3) above: | | |
| | Please see Note 2 below | | |
| | | Amount net of Provisions | |
| | Category | Secured | Unsecured |
| | 1. Related Parties ** | 0.00 | 0.00 |
| a) | Subsidiaries | 0.00 | 0.00 |
| b) | Companies in the same group | 0.00 | 0.00 |
| c) | Other related parties | 0.00 | 0.00 |
| | 2. Other than Related parties | 0.00 | 299 |
| | TOTAL | 0.00 | 299 |
| 6) | Investor group-wise classification of all investments (Current and long term) in shares and securities (both quoted & unquoted) : | | |
| | Please see Note 3 below | | |
| | Category | Market value / Break up of fair value or NAV | Book Value (Net of Provisions) |
| | 1. Related Parties ** | | |
| a) | Subsidiaries | 0.00 | 0.00 |
| b) | Companies in the same group | 0.00 | 0.00 |
| c) | Other related parties | 0.00 | 6 |
| | 2. Other than Related parties | 0.00 | 48 |
| | TOTAL | 0.00 | 54 |
| | ** As per Accounting Standard of ICAI (Please See Note 3) | | |

| | |
|-----------|--|
| 7) | Other Information |
| | PARTICULAR |
| i) | Gross Non-Performing Assets |
| | a) Related Parties |
| | b) Other than Related Parties |
| ii) | Net Non-Performing Assets |
| | a) Related Parties |
| | b) Other than Related Parties |
| iii) | Assets acquired in satisfaction of debt |

BOOK – POST

If undelivered please return to:

ADCON CAPITAL SERVICES LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

117, Hubtown Solaris,
N. S. Phadke Marg,
Near East – West Flyover,
Andheri (East), Mumbai – 400 069, MH