

# ADHARSHILA CAPITAL SERVICES LIMITED

Regd. Off.: 109, Choudhary Complex

9, Veer Savarkar Block, Shakarpur, Delhi – 110 092

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**20th Annual Report  
2012-2013**

# **ADHARSHILA CAPITAL SERVICES LTD.**

## **Board of Directors:**

1. Shri Rajendra Kumar Khanna
2. Shri Joginder Singh Dhikkar
3. Shri Harnand Tyagi
4. Shri Sanjay Monga

## **Company Secretary:**

Mr. Pradeep Kumar Sharma

## **Auditors:**

M/s B.K. Kapur & Company  
17, Navyug Market,  
Ghaziabad (U.P.)

## **Bankers:**

State Bank of India  
SIB, Navyug Market,  
Ghaziabad (U.P.)

## **Regd. Office:**

109, Choudhary Complex,  
9, Veer Savarkar Block,  
Shakarpur, Delhi – 110 092

**NOTICE OF 20<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of the Company will be held on Monday, the 19<sup>th</sup> day of August, 2013 at 10.30 a.m. at "Shree Agrasen Bhawan" Vivek Vihar, Delhi – 110 095 to transact the following business(s) :**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Profit and Loss Statement for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Joginder Singh Dhikkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s B. K. Kapur & Co., Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company at the remuneration to be decided by the Board of Directors of the Company."

**By Order of the Board  
For ADHARSHILA CAPITAL SERVICES LIMITED**

**SD/-  
(PRADEEP KUMAR SHARMA)  
COMPANY SECRETARY**

**Place: Ghaziabad  
Dated: 22.07.2013**

**Registered Office:**

109, Choudhary Complex,  
9, Veer Savarkar Block, Shakarpur,  
Delhi-110 092

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of this meeting. A proxy shall not vote except on a poll.

Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

2. Pursuant to Section 154 of the Companies Act, 1956, the Share Transfer Books and the Register of Members of the company will remain closed from 17<sup>th</sup> August to 19<sup>th</sup> August 2013, (both days inclusive).
3. In terms of notification issued by Securities and Exchange Board of India, Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 2nd January, 2002. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.
4. Members desiring any information regarding Accounts of the Company are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready, as far as possible, at the Meeting.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members are requested to always quote their Folio No. / Client ID & DP ID in all correspondence with the Company's registrar and the Company. Members are requested to notify any change of address to the Company or its Registrar i.e. M/s Skyline Financial Services Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi - 110 020.
8. Members / Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.

**Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting**

**1. Mr. Joginder Singh Dhikkar**

**Mr. Joginder Singh Dhikkar**, aged 64 years, he has done Diploma in Mechanical Engineering. He has an overall experience of over 44 years in the filed of general Administration and Management.

**Directorship held in other Companies**

- a) Deepjyoti Electronics Pvt. Ltd.
- b) Param Hi-Tech Private Limited

**Membership in committees in other Companies**

Nil

**Relationship between Directors (inter-se)**

Mr. Joginder Singh Dhikkar is not related to any other Director of the Company.

**By Order of the Board  
For ADHARSHILA CAPITAL SERVICES LIMITED**

**Place: Ghaziabad  
Dated: 22.07.2013**

**SD/-  
(PRADEEP KUMAR SHARMA)  
COMPANY SECRETARY**

**DIRECTORS' REPORT****TO THE MEMBERS**

The Directors have pleasure in presenting the Twentieth Annual Report and the Audited Statements of Accounts of your Company for the year ended 31<sup>st</sup> March 2013.

**FINANCIAL RESULTS**

	(In Rupees)	
	Year Ended <u>31.03.13</u>	Year Ended <u>31.03.12</u>
<b>Revenue from Operations</b>	18,16,130	18,25,932
<b>(Loss)/Profit Before Depreciation &amp; Tax</b>	(4,39,832)	(6,24,882)
<b><u>Less:</u></b>		
Depreciation	29,783	41,816
<b><u>Less:</u></b> Provision for tax: -		
-Earlier Year	(167)	26,934
-Deferred Tax	19,199	(1,75,940)
<b>(Loss)/Profit after Taxation</b>	<u><b>(4,88,647)</b></u>	<u><b>(5,17,692)</b></u>
Balance Brought Forward	<u>29,32,264</u>	<u>34,49,956</u>
<b>Surplus carried to Balance Sheet</b>	<u><b>24,43,617</b></u>	<u><b>29,32,264</b></u>

The working of your company for the year under review resulted in operating loss of Rs. 4,69,615/- as against loss of Rs. 6,66,698/- in the previous year.

**DIVIDEND**

In the absence of Profits in the current Financial Year, your Directors have not recommended any dividend for the Financial Year 2012-13.

**FIXED DEPOSITS**

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

**DIRECTORS**

Mr. Joginder Singh Dhikkar is retiring by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of annual accounts, the applicable accounting standards have been followed;
- (ii) that appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at March 31, 2013 and of the losses of the Company for the year ended on the date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.

## **AUDITORS**

M/s B. K. Kapur & Company, Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their reappointment. The Auditors have also furnished the certificate to the effect that their reappointment, if made, will be within the limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

## **LISTING OF COMPANY SECURITIES**

Your company's shares are currently listed on the Delhi Stock Exchange Ltd. However, there is no trading activity on the Delhi Stock Exchange Ltd. The Company has already paid listing fees to the Delhi Stock Exchange for the financial year 2013-14.

## **DEMATERIALISATION OF SECURITIES**

As informed in the last year's Director's Report, the shares of your Company were included in the compulsory list of trading in dematerialisation form with effect from 2<sup>nd</sup> January, 2002 and your company had entered into necessary agreement with depository NSDL (National Securities Depository Limited). It is, therefore, advisable to trade in the securities of the Company in dematerialisation form, which is convenient and safe.

### **CORPORATE GOVERNANCE**

In terms of clause 49 of the Listing Agreement, a Report on Corporate Governance along with a certificate from Company Secretary in Whole Time Practice on the Compliance of the condition of Corporate Governance is provided elsewhere in the Annual Report.

### **PARTICULARS OF EMPLOYEES**

Particulars of employees as required u/s 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 and Amendment Rules 2011 may be taken as NIL since no employee of the Company was in receipt of remuneration in terms of limits specified under the said Rules.

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

Since the company is a Finance and Investment Company and has no manufacturing or other operations, the Companies (Disclosure of Particulars in the Report of Board of directors) Rules, 1988 are not applicable. There were no foreign exchange earnings or outgoing during the financial year ended 31st March, 2013.

### **ACKNOWLEDGEMENTS**

Your Directors wish to acknowledge their gratitude to the business Associates and Stock Exchange authorities for their continued patronage, assistance and guidance.

**By Order of the Board  
For ADHARSHILA CAPITAL SERVICES LIMITED**

**SD/-  
(RAJENDRA KUMAR KHANNA)  
CHAIRMAN OF THE BOARD**

**Place : Ghaziabad  
Dated : 22.07.2013**



## **CORPORATE GOVERNANCE REPORT 2012-2013**

### **1. PHILOSOPHY ON CORPORATE GOVERNANCE**

The Board of Directors and the Management of Adharshila Capital Services Limited ensure that it endeavour to adopt the best practices on corporate Governance. In this intensive competitive environment, the management and employees of the company are committed to uphold the core values of transparency, integrity, honesty and accountability. The company will continue to focus its resources, strengths and strategies to safeguard the shareholders' wealth and at the same time protect the interests of all its shareholders.

### **2. BOARD OF DIRECTORS**

#### **A. Composition & Attendance at Board Meeting and last AGM and details of membership of Directors in other Boards and Board Committees:**

The Board of Directors of the Company headed by a non-executive and independent Chairman, consisted of the following Directors:-

Directors	Category	Attendance Particulars		Chairman ship/ Director ships In other Public Ltd. Co.	Committee Membership	
		Board Meeting	Last AGM		Member	Chairman
Sh. R. K. Khanna	Director	4	Yes	1	4	4
Sh. J. S. Dhikkar	Director	7	Yes	-	3	-
Sh. H.N. Tyagi	Director	6	Yes	1	3	-
Sh. Sanjay Monga	Director	4	No	-	2	-

#### **B. Details of Board Meetings held during the year 2012-2013:**

S. No.	Date of Meeting	No. of Directors Present
1	27.04.2012	3
2	10.05.2012	3
3	13.08.2012	3
4	03.09.2012	3
5	07.11.2012	2
6	07.02.2013	3
7	25.03.2013	4

- The time gap between any two meetings did not exceed four months.
- The last AGM was held on 29.09.2012

3. **SITTING FEES** : The details of sitting fees paid to the Directors for attending the meetings of the Board and/or committees thereof for the year ended March 31, 2013 are given below :-

S. NO.	NAME	SITTING FEE (RS.)
1.	Sh. R.K. Khanna	5,000
2.	Sh. J.S. Dhikkar	6,000
3.	Sh. H.N. Tyagi	3,000
4.	Sh. Sanjay Monga	4,000

#### 4. REMUNERATION OF DIRECTORS

The Company's Remuneration committee presently comprising of three members viz. Mr. R. K. Khanna, Mr. Sanjay Monga and Mr. H. N. Tyagi to look into the matter relating to payment of remuneration to the Directors. Mr. R. K. Khanna has been elected as Chairman.

All the members of Remuneration Committee have good exposure to finance as well as general management.

During the year, no meeting of Remuneration Committee was held.

#### 5. NON-MANDATORY REQUIREMENTS

The Company has not adopted the Non-Mandatory requirements except setting-up of Remuneration Committee.

#### 6. APPOINTMENT/ REAPPOINTMENT OF DIRECTORS:-

Name of Director	Brief Particulars	Details of Directorships in other Public Limited Company	No. of other Committees in which Chairman /member other than this Company	
			Chairman	Member
Sh. Joginder Singh Dhikkar	He is Non-Executive Independent Director	Nil	NIL	Nil

#### 7. AUDIT COMMITTEE

(i) Terms of reference: -

The Audit Committee has been mandated with the same terms of reference as specified in clause 49 of the Listing Agreements with Stock Exchange. The Terms of reference also fully conform to the requirement of section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors.

(ii) Composition, Name of Members and Chairman: -

Presently the Audit Committee comprising three members viz. Mr. R.K. Khanna, Mr. J. S. Dhikkar and Mr. Sanjay Monga. Mr. R. K. Khanna has been elected as Chairman of the Committee.

All the members of Audit Committee have good exposure to finance as well as general management.

(iii) Meeting and attendance

During the Financial Year 2012-13, 4 (four) audit committee meetings were held on 10.05.2012, 13.08.2012, 07.11.2012 and 07.02.2013. The attendances of members are as follows: -

<b>S. NO.</b>	<b>NAME</b>	<b>Attendance</b>
1.	Sh. R.K. Khanna	4
2.	Sh. J.S. Dhikkar	3
3.	Sh. Sanjay Monga	3

Mr. Pradeep Kumar Sharma, Company Secretary acts as Secretary to this Committee.

**8. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Board has constituted a Shareholders'/Investors' Grievance Committee to look into redressal of Shareholders'/Investors' complaints regarding transfer and transmission of shares, non receipt of Balance Sheet and dematerialization of shares and matters relating to issue of share certificates etc. Mr. Rajendra Kumar Khanna is the Chairman of Shareholders'/Investors' Grievance Committee.

During the year 2012-13, no complaint was received from Shareholders / Investors. All valid share transfers received during the year 2012-13 have been acted upon by the company. There were no transfers pending as on 31.03.2013.

**CONSTITUTION**

The Shareholders'/Investors' Grievance Committee comprised of following members:-

<b>Sl. No.</b>	<b>Name</b>	<b>Category</b>	<b>Committee meeting held</b>	<b>Meetings attended</b>
1.	Mr. R. K. Khanna	Chairman	<b>4</b>	4
2.	Mr. H. N. Tyagi	Member		2
3.	Mr. J.S. Dhikkar	Member		3

**9. DISCLOSURE**

- (a) There have been no materially significant related party transactions with the Company's promoters, Directors, management and their relatives, which may have potential conflict with the interests of the Company at large.
- (b) There have been no instances of non compliance by the Company on any matter related to Capital Markets, nor have any penalty / strictures have been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authority on such matters.

**10. DETAILS OF SHAREHOLDING OF DIRECTORS IN THE COMPANY**

There is no Shareholding of any Director in the company

**11. RESOLUTION PASSED THROUGH POSTAL BALLOT**

Since the date of last Annual General Meeting, no resolution has been passed through postal ballot.

**12. DEMATERIALISATION OF SHARES**

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, about 46.73% of the Equity Capital of the Company has been dematerialized as on March 31, 2013. The Company has appointed M/s Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi-110 020 as common agency for share registry work. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments, which are pending for conversion.

**13. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS:**

Meeting	Year	Venue of AGM	Date	Time	Special Resolution passed
17 <sup>th</sup> AGM	2009-10	Shree Agrasen Bhawan, Vivek Vihar, Delhi – 110 095	30.09.2010	10.00 a.m.	NIL
18 <sup>th</sup> AGM	2010-11	Shree Agrasen Bhawan, Vivek Vihar, Delhi – 110 095	28.09.2011	10.30 a.m.	NIL
19 <sup>th</sup> AGM	2011-12	Shree Agrasen Bhawan, Vivek Vihar, Delhi – 110 095	29.09.2012	10.30 a.m.	NIL

**14. MEANS OF COMMUNICATION**

Quarterly and Half yearly Results Published in the Money Makers and Dainik Mahalaxmi Bhagyodaya (one English daily and the Hindi daily).

**15. FINANCIAL CALENDAR (TENTATIVE)**

Relevant Period	Compliance due date
Financial results for the quarter ending June 30, 2013	On or before 14 <sup>th</sup> August, 2013
Financial results for the quarter/half year ending September 30, 2013	On or before 14 <sup>th</sup> November, 2013
Financial results for the quarter ending December 31, 2013	On or before 14 <sup>th</sup> February, 2014.
Financial results for the quarter and year ending March, 31, 2014	On or before 30 <sup>th</sup> May 2014

**16. GENERAL SHAREHOLDERS INFORMATION:-**

- |   |   |
|---|---|
| (a) Date, time and venue of 20 <sup>th</sup> Annual General Meeting | 19 <sup>th</sup> August, 2013 at 10.30 a.m. at "Shree Agrasen Bhawan, Vivek Vihar, Delhi – 110 095" |
| (b) Financial year  | April 1, 2012 to March 31, 2013   |
| (c) Book Closure Date   | 17 <sup>th</sup> August, 2013 to 19 <sup>th</sup> August, 2013 (both days inclusive)                |
| (d) Dividend Payment Date   | Not applicable  |
| (e) Listing on Stock Exchanges at                                   | Delhi Stock Exchange Ltd.<br>DSE House, 3/1, Asaf Ali Road,<br>New Delhi.                           |

**Note:** - Listing fees for the Financial Year 2013-14 has been paid to the Stock Exchange.

- |   |  |
|---|--|
| (f) ISIN No. for NSDL/CDSL  | INE 269F01012  |
| (g) Market Price Date   | There was no transactions of shares during 2012-13 at DSE, hence, market price of share are not available. |
| (h) Share Transfer System Physical Shares, which are lodged with the Share transfer agent/ Company for transfer are processed and returned to the shareholder within the period of 15 days. |  |

## (i) DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2013)

(i) On the basis of Shares held

No of Equity Shares held (Range)	No. of Shareholders	Percentage of total share Holders	No. of Shares held	Percentage to total shares held
Upto 500	827	74.91	4,12,500	7.50
501-1000	49	4.44	46,400	0.84
1001-2000	69	6.25	1,05,400	1.92
2001-3000	45	4.08	1,14,200	2.08
3001-4000	27	2.45	97,500	1.77
4001-5000	19	1.72	91,100	1.66
5001-10000	33	2.99	2,65,000	4.82
Above 10000	35	3.17	43,67,900	79.42
<b>TOTAL</b>	<b>1,104</b>	<b>100.00</b>	<b>55,00,000</b>	<b>100.00</b>

(ii) On the basis of Category

Category	No. of Shares Held	Percentage to total shares held
<b>Shareholding of Promoter &amp; Promoter Group</b>		
Indian		
- Individuals/HUFs	25,05,000	45.55
- Bodies Corporate	3,40,000	6.18
<b>Sub total</b>	<b>28,45,000</b>	<b>51.73</b>
Foreign	--	--
<b>Total Shareholding of Promoter &amp; Promoter Group</b>	<b>28,45,000</b>	<b>51.73</b>
<b>Public Shareholding</b>		
- Institutions	--	--
<b>Sub total</b>	<b>--</b>	<b>--</b>
- Non-Institutions		
- Bodies Corporate	11,95,500	21.74
- Individuals		
- Individual Shareholders holding nominal share capital upto Rs.1.00 lakh	11,27,100	20.49
- Individual Shareholders holding nominal share capital in excess of Rs. 1.00 lakh	3,32,400	6.04
- Any other (specify)	--	--
<b>Sub total</b>	<b>26,55,000</b>	<b>48.27</b>
<b>Total Public Shareholding</b>	<b>26,55,000</b>	<b>48.27</b>
<b>GRAND TOTAL</b>	<b>55,00,000</b>	<b>100.00</b>

- (j) Correspondence by the shareholders should be addressed to the registered office of the Company. Shareholders holding shares in Electronic mode should address all their correspondence to their respective Depository participant.
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**DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT**

The Shareholders,

I, Rajendra Kumar Khanna, Chairman, hereby declare that all the Board Members have affirmed compliance with the code of conduct of the Company during the financial year 2012-13.

**Place: Ghaziabad**  
**Date: 22.07.2013**

**SD/-**  
**(RAJENDRA KUMAR KHANNA)**  
**CHAIRMAN**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of  
Adharshila Capital Services Ltd.  
Delhi.**

We have examined the compliance of conditions of Corporate Governance by **Adharshila Capital Services Limited** for the year ended on **31<sup>st</sup> March, 2013** as stipulated in clause 49 of the Listing Agreement of the said Company with Stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor 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 Agreement.

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

**For N.K. RASTOGI & ASSOCIATES  
Company Secretaries,**

**Place: DELHI  
Date : 15.07.2013**

**SD/-  
Naveen K. Rastogi  
Proprietor  
C.P. No. - 3785**



**MANAGEMENT DISCUSSION AND ANALYSIS**

For the Financial Year 2012-13, growth was expected to be in the neighbourhood of 5%, i.e. much below the 6.2% recorded for Financial Year 2012. But in the April 2013 the Growth rate is recorded 4.8 per cent of GDP. Declining growth is not the only economic problem. The government is also initiating measures to limit the fiscal deficit for 2013-14 to 4.8 per cent of GDP. It is the worst situation the Indian economy is facing. Initiatives, which are to be taken are expected to boost the infrastructure, Finance and housing sector considerably. However, the result of these steps will take some time to reflect in the real economy

**Structure and Developments of NBFC Sector:**

Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial services accessible to a wider set of India's population and are emerging as strong intermediaries in the finance space. Non Banking Financial Companies (NBFCs) are governed by the Reserve Bank of India vide powers conferred under chapter III-B of Reserve Bank of India Act, 1934. The regulatory and supervisory frameworks for NBFCs have been continuously strengthened in order to ensure strong and healthy functioning of NBFCs. Majority of NBFCs were not able to face the pressure created on and were wiped out. However, since FY 2001-2002, there has been significant improvement in the business model of existing NBFCs with improvement in overall business environment. NBFCs have been able to expand their resource profile by diversifying the funding avenues. Further a strict control on asset quality and overheads, coupled with use of innovative borrowing tools such as securitization has resulted in improved profitability of NBFCs.

**INDIA'S NBFC INDUSTRY OVERVIEW** Over the years, the Non-Banking Financial Companies (NBFCs) of India have been instrumental in driving the country's inclusive growth. In the rural and semi-urban India, the sector plays a critical role in financing long-term infrastructure, construction equipment, leasing, real estate, vehicles and SMEs. At present, more than 80 per cent of equipment leasing and hire purchase financing in India are financed by NBFCs. (Source: Indian Brand Equity Foundation). The ACSL derived losses in this financial year also as like in the previous year, but some improvements have been observed as the losses comes down in the current financial year 2012-13.

**Opportunities and Threats:**

The NBFCs business model has strengthened considerably over the past few years in terms of access to varied funding sources. The growth of mutual fund industry and the emergence of securitization as a borrowing tool have helped to strengthen the NBFC sector. Non Banking Financial Companies (NBFCs) have become an integral part of India's financial system. In recent times, NBFC's have emerged as lenders to both companies and individuals. When it comes to lending, NBFCs are generally regarded to be complementary to banks and are often able to offer better services and products to their customers.

ADHARSHILA CAPITAL SERVICES LIMITED (ACSL) sees huge growth opportunities in each of its existing business areas, and will also be expanding the focus of activities to new areas, arising from the strong growth momentum in the economy.

The NBFCs are facing stiff competition from banks and financial institutions, due to ability of banks to raise low cost funds which enable them to funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance.

**Financial Performance:**

ADHARSHILA CAPITAL SERVICES LIMITED (ACSL) gross income from operations for the financial year ended March 31, 2013 is Rs. 18,16,130/- as against of Rs. 18,25,932/- in the previous year.

The Net Loss (LAT) of the Company is Rs 4,88,647/- during the year against the loss of Rs. 5,17,692/- in the previous year.

**Resources and Liquidity:**

No fund has been raised by ACSL from market by way of public deposits. During the Financial Year 2012-13 no allotment of shares / debentures or other securities has been made.

**Business Review:**

ACSL has invested Rs. 4,52,42,500/- in the Securities of other body corporates and Rs. 83,60,000/- as Unsecured Loans (including interest) to body corporates & others as on March 31, 2013. ACSL aims at better returns by a good asset quality and asset mix.

**Outlook:**

Non-Banking Finance Companies (NBFCs) continues to provide accessible its services to every part of the population and playing a vital role in economic growth of the country. The financial sector in India is in a process of rapid transformation. Reforms are continuing as part of the overall structural reforms aimed at improving the productivity and efficiency of the economy.

The ACSL management team consisting of professional directors intends to take advantage of the competitive edge built over a period of time by increasing the penetration levels with the main objective of maximizing the value for all stakeholders concerned.

**Risks and Concerns:**

Due to the nature of the business and the concerned fast changing business scenario, volatile condition of Stock Market, ACSL is exposed to specific risks including interest rate volatility, economic cycle and market risk and risk arising from change of laws/regulations, The company having Audit committee in which professional director of the company are members under the chairmanship of Mr. R. K. Khanna. The committee is responsible to assess the risk and take necessary steps and enable various policies to minimize the risk. ACSL's effective business and risk management policies help to mitigate these risks.

**Adequacy of Internal Control Systems:**

An effective controls system is introduced by ACSL to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorised, recorded and reported correctly.

The Audit Committee of Directors reviews the adequacy of internal controls systems.

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF ADHARSHILA CAPITAL SERVICES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of ADHARSHILA CAPITAL SERVICES LIMITED which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company
4. Further, as required by 'Non Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 1988', we further state that we have submitted a separate report to the Board of Directors of the Company on the matters specified in said directions as under:-
- a) The company applied for registration as provided in section 451A of the Reserve Bank of India Act, 1934 and has obtained certificate of registration from the Reserve Bank of India.
  - b) The Company is entitled to continue to hold the Certificate of Registration in terms of its asset/income pattern as on 31<sup>st</sup> March, 2013.
  - c) The Board of Directors of the company has passed a resolution for non – acceptance of any public deposit.
  - d) The company has not accepted any public deposit during the year under reference.
  - e) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning of bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For B.K.KAPUR AND CO.,  
Chartered Accountants,  
Firm Registration No. 000852C



*M.S. Kapur*

(M.S.KAPUR) F.C.A.  
Partner.  
M.No.74615.

Pace : Ghaziabad  
Dated : 28.05.13

Annexure referred to in Para 4 to the Auditor's Report

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - (b) The fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
  - (c) As per records and information and explanation given to us there was no sale of fixed assets during the year, therefore, no comment is required under paragraph 4(i) (c) of the Order.
2. Having regards to the nature of the company's business/activities clause 4(ii)(a) to (c) is not applicable to the company.
  3. According to information made available to us, the company has not granted any loan, secured or unsecured to companies, firm or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii)(b) to (d) of the Order are not applicable to the company.
  4. According to information made available to us, the company has not taken any loan, secured or unsecured from companies, firm or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii)(e) to (g) of the Order are not applicable to the company.
  5. In our opinion and according to the information and explanations given to us, the nature of company business is such that it does not purchase Inventory, or sell goods.
  6. (a) Based on our examination and according to the information and explanation given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.  
  
(b) In our opinion and on the basis of information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained Under Section 301 of the Companies Act, 1956 during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time where such market prices are available.
  7. In our opinion and on the basis of information and explanations given to us, the company has not accepted any public deposit from public within the meaning of section 58 A and 58AA of the Companies Act, 1956 and or any other relevant provisions of the Act and rules framed there under.



8. The Company does not have any internal audit system. In the opinion of the management internal audit system is not considered necessary having regard to the nature of business and volume of transactions.
9. Maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 in respect of the activities undertaken by the company during the financial year under report.
10. As informed to us, Employees Provident Fund Act, 1952 and Employees State Insurance Act are not applicable to the Company for the time being. On the basis of information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Income Tax, Service Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty whichever is applicable with the appropriate authorities. No amount was due to be deposited under Investor Education and Protection Fund. Further there was no arrears or outstanding statutory dues as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
11. According to the records of the company examined by us, there are no dues of Income Tax, customs duty, wealth tax, Sale Tax, Service Tax and cess which have not been deposited on account of any dispute.
12. The Company does not have any accumulated Losses. The company has incurred cash losses of Rs 439832/- during the financial year ended 31<sup>st</sup> March, 2013 and cash loss in the immediate preceding financial year is Rs 624882/-.
13. In our opinion and on the basis of information and explanations given to us, the company has not borrowed from any financial institutions, bank or issued any Debentures.
14. According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, therefore, no comment is required under para 4 (xii) of CARO, 2003.
15. As the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore provisions of clause 4(xiii) of the order are not applicable to the company.
16. Based on our examination of the records and evaluation of related internal controls the company has maintained proper records of the transaction and contracts in respect of investments and has also made timely entries thereon. All investments are held by the Company in its own name.
17. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.



18. On the basis of information and explanations given to us, and on an overall examination of the financial statements of the company, no funds raised on short term basis have been used for long term investment.
19. According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The company has not issued any debenture, therefore, no comments is required under Para 4 (xix) of CARO, 2003.
21. The Company has not raised any money by public issue, during the year.
22. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B.K.KAPUR AND CO.,  
Chartered Accountants,  
Firm Registration No. 000852C



Place : Ghaziabad  
Dated : 28.05.13

*M. S. Kapur*

(M.S.KAPUR) F.C.A.  
Partner.  
M.No.74615.



# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092*

## BALANCE SHEET AS AT 31ST MARCH 2013


	Note No.	Figures as at end of Current Reporting Period 31.03.2013	Figures as at end of Previous Reporting Period 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	2	55,000,000	55,000,000
Reserves and Surplus	3	3,662,517	4,151,164
		<b>58,662,517</b>	<b>59,151,164</b>
<b>2 Current Liabilities</b>			
Other Current Liabilities	4	116,921	112,377
Short Term Provisions	5	20,000	255,000
		<b>136,921</b>	<b>367,377</b>
<b>TOTAL (1+2)</b>		<b>58,799,438</b>	<b>59,518,541</b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
Fixed Assets	6		
Tangible Assets		158,445	188,228
Non-Current Investments	7	45,242,500	45,242,500
Deferred Tax Assets (Net)	8	126,714	145,913
Long Term Loans and Advances	9	4,004,550	4,004,859
		<b>49,532,209</b>	<b>49,581,500</b>
<b>2 Current Assets</b>			
Inventories	10	187,260	655,555
Cash and Bank Balances	11	491,331	538,318
Short Term Loans and Advances	12	8,588,638	8,743,168
		<b>9,267,229</b>	<b>9,937,041</b>
<b>TOTAL (1+2)</b>		<b>58,799,438</b>	<b>59,518,541</b>

Significant Accounting Policies and Notes  
Forming Integral Part of Financial Statements

(1 to 29)

  
DIRECTOR

  
DIRECTOR

  
COMPANY SECRETARY



AS PER OUR REPORT OF EVEN DATE  
For B.K.Kapur & Co.  
Firm Registration No.000852C  
Chartered Accountants

  
(M.S.KAPUR) F.C.A.  
PARTNER  
M.NO. 74615

Place : Ghaziabad  
Dated : 29th May 2013

# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092*

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	Figures for the Current Reporting Period 31.03.2013	Figures for the Previous Reporting Period 31.03.2012
I. Revenue from Operations	13	1,816,130	1,825,932
III. Total Revenue (I+II)		<b>1,816,130</b>	<b>1,825,932</b>
IV. Expenses:			
Purchases of Shares		441,359	1,434,501
Changes in Inventories of Stock-In-Trade	14	468,295	(572,948)
Employee Benefits Expense	15	881,272	1,004,700
Depreciation and Amortisation Expense		29,783	41,816
Other Expenses	16	465,036	584,561
Total Expenses		<b>2,285,745</b>	<b>2,492,630</b>
V. (Loss)/Profit		<b>(469,615)</b>	<b>(666,698)</b>
X. Tax Expense :			
Current Tax		-	-
Deferred Tax Charge/(Credit)		19,199	(175,940)
Income Tax for Earlier Years		(167)	26,934
XI. (Loss)/Profit for the period		<b>(488,647)</b>	<b>(517,692)</b>
XIII. Earning per equity share			
Nominal Value Rs. 10/-			
Basic		(0.09)	(0.09)
Diluted		(0.09)	(0.09)

Significant Accounting Policies and Notes  
Forming Integral Part of Financial Statements

(1 to 29)

*[Handwritten Signature]*

*[Handwritten Signature]*  
DIRECTOR

*[Handwritten Signature]*  
DIRECTOR

*[Handwritten Signature]*  
COMPANY SECRETARY



AS PER OUR REPORT OF EVEN DATE  
For B.K.Kapur & Co.  
Firm Registration No.000852C  
Chartered Accountants

*[Handwritten Signature]*  
(M.S.KAPUR) F.C.A.  
PARTNER  
M.NO. 74615

Place : Ghaziabad  
Dated : 29th May 2013

# ***ADHARSHILA CAPITAL SERVICES LIMITED***

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092*

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**

### **NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES:**

**i) Basis of Accounting:**

The accounts have been prepared under historical cost convention and in accordance with applicable accounting standards and relevant disclosure requirements of the Companies Act, 1956.

Recognition of Income & Expenditure:

Income & Expenditure is recognized on accrual basis.

**ii) Fixed Assets and Depreciation:**

Fixed Assets are stated at cost less accumulated Depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses. Depreciation on all fixed assets has been charged on straight-line method at the rates and in the manner prescribed in schedule XIV to the companies Act, 1956. Low value items costing individually Rs.5000/- or less are fully depreciated in the year of purchase.

**iii) Investments:**

Long-term Investments are stated at cost. Provision for diminution is made only if; in the opinion of the management such decline is other than temporary.

**iv) Inventories:**

Stock in trade is valued scrip wise at cost based on FIFO method or estimated realizable value whichever is lower.

**v) Revenue Recognition:**

All the items of cost/ expenditure and revenue/ income have been accounted for on accrual basis. Dividend income is recognised when the right to receive payment is established.

**vi) Taxes on Income:**

a) Current tax is determined as the amount of tax payable in respect of taxable income for the period.

b) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

vii) Provision involving substantial degree of estimation in measurement is 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 notes. Contingent assets are neither recognized nor disclosed in the financial statements.



# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092*  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

	Figures as at end of Current Reporting Period 31.03.2013	Figures as at end of Previous Reporting Period 31.03.2012
<b>NOTE - 2 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
62,00,000 Equity Shares of Rs.10/- each (Previous Year 62,00,000 Equity Shares of Rs.10/- each)	62,000,000	62,000,000
<b>Issued, Subscribed &amp; Paid-up Capital:-</b>		
55,00,000 Equity Shares of Rs.10/- each fully paid up (Previous Year 55,00,000 Equity Shares of Rs.10/- each fully paid up)	55,000,000	55,000,000
<b>TOTAL</b>	55,000,000	55,000,000

**Terms & Conditions of Equity Shares**

- 1 The Company has only one Class of Equity Shares having a par value of Rs10/-each
- 2 Each Shareholders is eligible for one Vote per Shares held
- 3 The Dividend , if any,proposed by the board of directors is subject to the approval of shareholders in the Annual General Meeting , except in the case of interim dividend.
- 4 In the event of liquidation , the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts,in proportion of their shareholding.

**5 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	Amounts (Rs.)	Number	Amounts (Rs.)
Shares Outstanding at the beginning of the year	5,500,000	55,000,000	5,500,000	55,000,000
Shares Outstanding at the end of the year	5,500,000	55,000,000	5,500,000	55,000,000

**6 Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.Raj Kumar Adlakha	1,210,000	22.00	1,210,000	22.00
Mr.Ranjan Adlakha	820,000	14.91	820,000	14.91
Ms.Amita Adlakha	325,000	5.91	50,000	0.91

- 7 There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.

- 8 For the period of five years immediately preceding the date at which the balance sheet is prepared

Particulars	No.of Shares
Aggregate number and class of shares allotted as fully paid up pursuant to Contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	Nil
Aggregate number and class of shares bought back	Nil

- 9 There are no securities (Previous Year no) convertible into Equity/Preferential shares.

- 10 There are no calls unpaid (Previous Year Nil) including calls unpaid by Directors and Officers as on balance sheet date.



# ADHARSHILA CAPITAL SERVICES LIMITED

Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092  
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

		Figures as at end of Current Reporting Period 31.03.2013	Figures as at end of Previous Reporting Period 31.03.2012
<b>NOTE - 3 : RESERVES AND SURPLUS</b>			
a) Reserve Fund (in the terms of Section 45-IC of RBI Act, 1934)			
As per Last Balance Sheet		1,218,900	1,218,900
Add:- Transfer from Profit & Loss Account		-	-
		<u>1,218,900</u>	<u>1,218,900</u>
b) Surplus			
As per Last Balance Sheet		2,932,264	3,449,956
Add: (Loss) / Profit during the year		(488,647)	(517,692)
		<u>2,443,617</u>	<u>2,932,264</u>
Less :-Transfer to Reserve Fund		-	-
		<u>2,443,617</u>	<u>2,932,264</u>
<b>Gross Total</b>	<b>(a+b)</b>	<u><b>3,662,517</b></u>	<u><b>4,151,164</b></u>
<b>NOTE - 4 : OTHER CURRENT LIABILITIES</b>			
Statutory Liabilities		1,750	500
Other Liabilities		115,171	111,877
	<b>Total</b>	<u><b>116,921</b></u>	<u><b>112,377</b></u>
<b>NOTE - 5 : SHORT TERM PROVISIONS</b>			
a) Provision for Taxation		-	235,000
b) Provision against Standard Assets		20,000	20,000
	<b>Total</b>	<u><b>20,000</b></u>	<u><b>255,000</b></u>



# ADHARSHILA CAPITAL SERVICES LIMITED

Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

### NOTE - 6 : FIXED ASSETS:

S.No.	Particulars	Gross Block		Depreciation			Net Block		
		as on 31.03.12	Addition	as on 31.03.13	upto 31.03.12	For the year	upto 31.03.13	as on 31.03.13	as on 31.03.12
1	Computers	173,265	-	173,265	138,114	19,947	158,061	15,204	35,151
2	Furniture & Fixture	50,975	-	50,975	12,050	3,227	15,277	35,698	38,925
3	Office Equipment	143,134	-	143,134	28,982	6,609	35,591	107,543	114,152
	<b>Total Rs.</b>	<b>367,374</b>	<b>-</b>	<b>367,374</b>	<b>179,146</b>	<b>29,783</b>	<b>208,929</b>	<b>158,445</b>	<b>188,228</b>
	Previous Year Rs.	357,374	10,000	367,374	137,330	41,816	179,146	188,228	220,044



# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092*

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

	Figures as at end of Current Reporting Period 31.03.2013	Figures as at end of Previous Reporting Period 31.03.2012
<b>NOTE - 7 : NON-CURRENT INVESTMENTS</b>		
<b>A Trade Investments (Long Term-Fully paid up)</b> (valued at Cost)		
<u>Quoted :</u>		
a)* 174100 (174100) Equity Shares of Rs.10/- each in Pariksha Fin-Invest-Lease Ltd (Market value not available)	348,200	348,200
<u>Unquoted :</u>		
a) 505000 (505000) Equity Shares of Rs.10 each in New Castle Finance & Leasing Pvt.Ltd.	1,810,000	1,810,000
b) 180000 (180000) Equity shares of Rs.10 each in Uttam Adlakha & Sons Holdings Pvt. Ltd.	360,000	360,000
<b>B Other Investments :</b> (valued at Cost)		
<u>Quoted :</u>		
<u>Unquoted :</u>		
<u>Associate Companies :</u>		
a) 516000 (516000) equity share of Rs.10/- each in Uttam Distilleries Ltd.	10,984,000	10,984,000
<u>Other Companies :</u>		
a) 559030 (559030) Equity Shares of Rs.10 each in Lipi Boilers Ltd.	5,590,300	5,590,300
b) 270000 (270000) Equity Shares of Rs.10/- each in Telma Trading Pvt.Ltd.	2,700,000	2,700,000
c) 205000 (205000) Equity Shares of Rs.10/- each in Uttam Luxury Hotels & Resorts Ltd.	2,050,000	2,050,000
d) 107000 (107000) 10% Non-Cummulative Redeemable Preference Shares of Rs. 100/- each at a Premium of Rs. 100/- each in JPC Infra Private Limited	21,400,000	21,400,000
<b>Total</b>	<b>45,242,500</b>	<b>45,242,500</b>
<b>i) TOTAL QUOTED INVESTMENTS</b> for which Market Value Not Available	348,200	348,200
<b>TOTAL UNQUOTED INVESTMENTS</b>	44,894,300	44,894,300
<b>Total</b>	<b>45,242,500</b>	<b>45,242,500</b>

\* Note : 1) The above shares are listed on the Delhi Stock Exchange, however, there are no transactions in the Delhi Stock Exchange for more than three years, therefore, no quotations are available as on 31.03.2013

## NOTE - 8 : DEFERRED TAX ASSETS (NET)

	As at 01.04.2012	During the Year	As at 31.03.2013
<b>DEFERRED TAX LIABILITY</b>			
Difference between Book & Tax Depreciation	23,332	(4,239)	19,093
	23,332	(4,239)	19,093
<b>DEFERRED TAX ASSETS</b>			
Unabsorbed Depreciation	169,245	(23,438)	145,807
	169,245	(23,438)	145,807
<b>NET DEFERRED TAX ASSETS</b>	<b>145,913</b>	<b>(19,199)</b>	<b>126,714</b>



# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092*

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

	Figures as at end of Current Reporting Period 31.03.2013	Figures as at end of Previous Reporting Period 31.03.2012
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## NOTE - 9 : LONG TERM LOANS AND ADVANCES

a) Security Deposits	4,550	4,859
b) Share Application Money to Related Party (Refer Note No. 26)	4,000,000	4,000,000
<b>Total</b>	<b>4,004,550</b>	<b>4,004,859</b>

## NOTE - 10 : INVENTORIES

(As taken, valued and certified by the Management)

	31.03.2013		31.03.2012	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
a) IVRCL Infrastructure & Project Ltd.	100	1,925	100	6,615
b) Dwarikesh Sugar Industries Ltd.	50	1,445	50	1,925
c) Simbhaoli Sugars Limited	50	1,145	50	1,520
d) NTPC Limited	100	14,195	100	16,275
e) Sakthi Sugars Limited	50	993	50	1,255
f) Mangalore Refinery and Petrochemicals Limited	500	24,775	500	29,040
g) Uflex Limited	200	14,530	200	22,990
h) GlaxosmithKline Pharmaceuticals Limited	50	104,789	50	104,789
i) Multi Commodity Exchange of India Limited	-	-	100	127,025
j) Tata Steel Limited	75	23,464	75	33,683
k)		187,260		345,117
Add: Investment in HDFC Mutual Fund(30946 Units @Rs.10.0315 each in F.Y.11-12)		-		310,438
		<b>187,260</b>		<b>655,555</b>

### Mode of Valuation of Inventories:

Inventories of Stock-in-Trade are valued at lower of Cost or Net Realisable Value.

	Figures as at end of Current Reporting Period 31.03.2013	Figures as at end of Previous Reporting Period 31.03.2012
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## NOTE - 11 : CASH AND BANK BALANCES

### Cash & Cash Equivalents

a) Balance with Banks In Current Accounts	346,959	289,046
b) Cash on Hand	144,372	249,272
<b>Total</b>	<b>491,331</b>	<b>538,318</b>

## NOTE - 12 : SHORT TERM LOANS AND ADVANCES

Unsecured loan to Related Party (Refer Note No. 26)	8,000,000	8,000,000
Add: Interest due on above	360,000	360,000
Advance for purchase of Shares	303	-
Income Tax (Including TDS)	228,335	383,168
<b>Total</b>	<b>8,588,638</b>	<b>8,743,168</b>





# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092*  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

	Figures for the Current Reporting Period 31.03.2013	Figures for the Previous Reporting Period 31.03.2012
<b>NOTE - 13 : REVENUE FROM OPERATIONS</b>		
a) Sales of Shares	885,679	892,138
b) Interest Income	800,542	917,168
c) Dividend Income	15,969	16,626
d) Realization of Interest on NPA Account	113,940	-
	<b>1,816,130</b>	<b>1,825,932</b>

**NOTE - 14 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS & STOCK-IN-TRADE**

**Opening Stocks**

Mutual Funds	310,438	-
Shares	345,117	82,607
	<b>655,555</b>	<b>82,607</b>

**Closing Stocks**

Mutual Funds	-	310,438
Shares	187,260	345,117
	<b>187,260</b>	<b>655,555</b>

**(Decrease)/Increase in Stocks**

	<b>468,295</b>	<b>[572,948]</b>
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**NOTE - 15 : EMPLOYEE BENEFIT EXPENSES**

Salaries & Wages	822,498	963,665
Medical Expenses	27,000	15,000
Office Fooding & Beverages Exps	31,774	26,035
<b>Total</b>	<b>881,272</b>	<b>1,004,700</b>

**NOTE - 16 : OTHER EXPENSES**

**Administrative and Other Expenses**

Printing and Stationery	55,719	52,714
Travelling and Conveyance (other than Directors)	139,308	112,381
Postage, Courier and Telephones	36,992	46,608
Books & Periodicals	1,000	8,590
Office Rent	30,000	30,000
Office Up-Kip Charges	15,107	12,170
Computer Maintenance Exp.	30,139	50,118
Auditors Remuneration:-		
Audit Fee	16,854	16,854
Limited Review Report fees-other services	12,135	10,697
AGM Handling exp.	3,100	2,500
Fee & Subscription	39,326	35,185
Listing Fees	11,236	11,030
Demat Charges	1,419	876
Director Sitting Fee	18,000	35,000
Bank Charges	495	-
Legal & Professional Fee	14,266	17,008
Advertisement	39,825	28,890
Reversal of unrealised Interest	-	113,940
Miscellaneous Expenses	115	-
	<b>465,036</b>	<b>584,561</b>



# ***ADHARSHILA CAPITAL SERVICES LIMITED***

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092*

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**

17. The figures have been rounded off to nearest Rupee.
18. The provisions of Provident Fund Act, 1952 are not applicable to the company for the time being.
19. No provision has been made for gratuity since number of employees of the company does not exceed the limit of ten, thus, the provision of Gratuity Act is not applicable.
20. The previous year's figure has been re-grouped/re-classified to make them comparable with the figures of the current year.
21. No amount is due to Micro, Small or Medium Enterprises.
22. In the opinion of the Board, the current assets, loans and advances are realizable in the normal course of business at the value at which these are stated in the Balance Sheet.
23. There being only single segment, Segment Reporting as defined in Accounting Standard-17 (AS-17) issued by ICAI is not applicable.
24. Investments include shares of the Pariksha Fin-Invest-Lease Ltd., which are listed at Delhi Stock Exchange; however, no latest quotation is available.
25. Contingent Liability not Acknowledge as debt : NIL
26. **RELATED PARTY DISCLOSURES:**

A) Parties where control exists : NIL

B) Other Related Parties where transactions have taken place during the year:

i) Associates : Uttam Distilleries Ltd.

ii) Key Management Personnel (KMP) : NONE

iii) Individuals having significant influence / substantial interest and their relatives: -

- Mr. Raj Kumar Adlakha
- Mr. Rajan Adlakha (Brother of Mr. Raj Kumar Adlakha)

iv) Enterprises significantly influenced by individuals having significant influence/substantial interest:

- The Standard Type Foundry Private Limited



# **ADHARSHILA CAPITAL SERVICES LIMITED**

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092*

## **C) Details of Transactions with above Related Parties: -**

Name of Enterprises	Transactions during the year	Amount of Transactions (Rs.)		Outstanding Balances (Rs.)		
		Year Ended 31-03-2013	Year Ended 31-03-2012		As at 31-03-2013	As at 31-03-2012
The Standard Type Foundry Pvt. Ltd.	Interest Earned	8,00,000	8,00,000	Interest Outstanding	3,60,000	3,60,000
				Loan Outstanding	80,00,000	80,00,000
				Share Application Money Outstanding	40,00,000	40,00,000
Mr. Rajan Adlakha	Outstanding interest received	1,13,940	NIL	Interest Outstanding	NIL	1,13,940

### 27. **Auditors' Remuneration includes:**

Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
(a) As Statutory Auditors	16,854	16,854
(b) for other services - (including Limited Review Report fees)	12,135	10,697
<b>Total</b>	<b>28,989</b>	<b>27,551</b>

### 28. **EARNING PER SHARE:**

		<b>31.03.2013</b>	<b>31.03.2012</b>
a. Numerator	Profit/(Loss) after Tax (Rs.)	(4,88,647)	(5,17,692)
b. Denominator	Number of Equity Shares	55,00,000	55,00,000
c. Earning Per Shares (Rs.) – Basic		(0.09)	0.09
	– Diluted	(0.09)	0.09



# **ADHARSHILA CAPITAL SERVICES LIMITED**

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092*

## 29. Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Particulars		(Rs. in lakhs)	
<b>Liabilities side :</b>			
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: (a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits) (b) Deferred Credits (c) Term Loans (d) Inter-Corporate loans and borrowing (e) Commercial Paper (f) Other Loans (specify nature)		<b>Amount outstanding</b>	<b>Amount overdue</b>
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
<b>Assets side :</b>		<b>Amount outstanding</b>	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : (a) Secured (b) Unsecured		-	
		83.60	
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities (i) Lease assets including lease rentals under sundry debtors: (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Other loans counting towards AFC activities (a) Loans where assets have been re-possessed (b) Loans other than (a) above		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
(4) <b>Break-up of Investments :</b> <i>Current Investments :</i> 1. <i>Quoted :</i> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify) 2. <i>Unquoted :</i> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)		-	
		-	
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		-	



# ADHARSHILA CAPITAL SERVICES LIMITED

*Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi – 110 092*

<p><i>Long term investments :</i></p> <p>1. <i>Quoted :</i></p> <p style="padding-left: 20px;">(i) Shares : (a) Equity (b) Preference</p> <p style="padding-left: 20px;">(ii) Debentures and Bonds</p> <p style="padding-left: 20px;">(iii) Units of mutual funds</p> <p style="padding-left: 20px;">(iv) Government Securities</p> <p style="padding-left: 20px;">(v) Others (please specify)</p> <p>2. <i>Unquoted :</i></p> <p style="padding-left: 20px;">(i) Shares : (a) Equity (b) Preference</p> <p style="padding-left: 20px;">(ii) Debentures and Bonds</p> <p style="padding-left: 20px;">(iii) Units of mutual funds</p> <p style="padding-left: 20px;">(iv) Government Securities</p> <p style="padding-left: 20px;">(v) Others (please specify)</p>	<p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">238.43</p> <p style="text-align: center;">214.00</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p>
	452.43

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
	<b>Amount net of Provisions</b>		
<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	83.60	83.60
2. Other than related parties	-	-	-
<b>Total</b>	-	83.60	83.60
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
	<b>Market Value/ Break-up-or fair value-or NAV</b>	<b>Book Value (Net of Provisions)</b>	
1. Related Parties			
(a) Subsidiaries	-	-	
(b) Companies in the same group	-	-	
(c) Other related parties	774.10	452.43	
2. Other than related parties	-	-	
<b>Total</b>	<b>774.10</b>	<b>452.43</b>	



# ADHARSHILA CAPITAL SERVICES LIMITED

Regd. Office: 109, Choudhary Complex, 9, Veer Savarkar Block, Shakarpur, Delhi - 110 092

(7)	Other information	
	Particulars	Amount
(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	-

*Bar*  
  
(Director)

  
(Director)

  
(Company Secretary)

AS PER OUR SEPARATE REPORT OF EVEN DATE,  
For B.K. KAPUR & CO.,  
Firm Registration No.000852C  
Chartered Accountants,



(M.S.KAPUR) F.C.A.  
Partner

Membership No.74615



Place : Ghaziabad

Dated : 29<sup>th</sup> May, 2013

**Cash Flow Statement for the year ended 31st March, 2013**

	<u>Year Ended</u> <u>31.3.2013</u> <u>Rupees</u>	<u>Year Ended</u> <u>31.3.2012</u> <u>Rupees</u>
<b>A. Cash Flow From Operating Activities:</b>		
Profit before Tax and Extraordinary Items	(469,615)	(666,698)
Depreciation	29,783	41,816
Income Tax refund received	155,000	
Prior Period Items		
Liability no longer required	-	-
Contingent Provision Against Standard Assets	-	-
Reversal of unrealised Interest	-	113,940
Operating Profit before Working Capital	<u>(284,832)</u>	<u>(510,942)</u>
<u>Changes / adjustment for:</u>		
Inventories	468,295	(572,948)
Trade and other Receivable	-	-
Trade Payable	4,544	30,193
Short Term Loan & Advance	(303)	-
Income Tax Paid	<u>(235,000)</u>	<u>547,540</u>
<b>Total A</b>	<b>(47,296)</b>	<b>(506,157)</b>
<b>B. Cash Flow From Investment Activities</b>		
Purchase of Fixed Assets	-	(10,000)
Purchase of Investments	-	(21,000,000)
Share Application Money Given	-	21,000,000
Security Deposit	309	
<b>Total B</b>	<u>309</u>	<u>(10,000)</u>
<b>C. Cash Flow From Financing Activities</b>		
Repayment of Unsecured Loans	-	-
Interest Paid	-	-
<b>Total C</b>	<u>-</u>	<u>-</u>
<b>Net Increase/(Decrease) in cash &amp; Cash Equivalents (A+B+C)</b>	<b>(46,987)</b>	<b>(516,157)</b>
<b>I. Cash and Cash Equivalents at the Beginning of the Year</b>	<b>538,317</b>	<b>1,054,474</b>
<b>II. Cash and Cash Equivalents at the End of the Year</b>	<b>491,331</b>	<b>538,317</b>

Note: Cash and cash equivalent includes cash, cheques in hand, and balances with Scheduled Banks.

*Basu*

*[Signature]*  
(Director)

*[Signature]*  
(Director)

*[Signature]*  
(Company Secretary)

Place : Ghaziabad

AS PER OUR SEPARATE REPORT OF EVEN DATE,

FOR B.K.KAPUR & CO.,  
Firm Registration No.000852C  
Chartered Accountants,

*[Signature]*

(M.S.KAPUR) F.C.A.



**ATTENDANCE SLIP**

**ADHARSHILA CAPITAL SERVICES LIMITED**

**Regd. Off. : - 109, Choudhary Complex, 9, Veer Savarkar Block,  
Shakarpur, Delhi - 110 092**

1. Full Name of Shareholder/Proxy \_\_\_\_\_
2. L. Folio No. /Client I.D. No. \_\_\_\_\_ DPID No. \_\_\_\_\_
3. No. of Share held \_\_\_\_\_
4. If proxy, full name of Shareholder \_\_\_\_\_

I hereby record my presence at the Twentieth Annual General Meeting of the Company held at "Shree Agrasen Bhawan", Vivek Vihar, Delhi - 110 095 on Monday, the 19<sup>th</sup> day of August 2013 at 10.30 a.m.

(Signature of the Shareholder/Proxy)

-----  
**PROXY FORM**

**ADHARSHILA CAPITAL SERVICES LIMITED**

**Regd. Off. : - 109, Choudhary Complex, 9, Veer Savarkar Block,  
Shakarpur, Delhi - 110 092**

L. Folio No. /Client I.D. No. \_\_\_\_\_ DPID No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

being member(s) of **ADHARSHILA CAPITAL SERVICES LTD.** hereby appoint

\_\_\_\_\_ of \_\_\_\_\_

of failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy in my/our behalf, at the Twentieth Annual General Meeting of the Company held at "Shree Agrasen Bhawan", Vivek Vihar, Delhi - 110 095 on Monday, the 19<sup>th</sup> day of August 2013 at 10.30 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2013

Signature(s) of the Shareholder(s) \_\_\_\_\_

-----  
| REVENUE |  
STAMP

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of this Annual General Meeting.