



STOCK BROKING • COMMODITY BROKING • ADVISORY SERVICES • D.P. • IPO • MUTUAL FUND

AJCON GLOBAL SERVICES LIMITED

(Formerly known as Ajcon Capital Markets Limited)

**WITH THE RIGHT COMPANY THERE IS ONLY ONE DIRECTION
TO GO, THAT IS**



UP

**20th ANNUAL REPORT
2006-2007**

AJCON GLOBAL SERVICES LIMITED

Regd. Off. :101, Samarth, Lt. P.N. Kotnis Road,

Off. Hinduja Hospital, Mahim (West), Mumbai 400 016.

CORPORATE INFORMATION**BOARD OF DIRECTORS**

C.A. Ashok Kumar Ajmera – *Chairman and Managing Director*

Shashikant B. Limaye - Director

C.A. Narayan Atal - Director

C.A. Rajendra Bakiwala - Director

Ajay Ajmera - Director

Ankit Ajmera –Director

AUDITORS

G.N.SHANBHAG & CO.

Chartered Accountants

Mumbai

COMPANY SECRETARY

Mr. S. M. Jain

BANKERS

Union Bank of India

Corporation Bank

Andhra Bank

HDFC Bank

Canara Bank

REGISTERED AND CORPORATE OFFICE

101, Samarth, Lt. P.N. Kotnis Road,

Off. Hinduja Hospital, Mahim (West),

Mumbai 400 016.

Tel: 022 2446 0335 / 36 / 40

Fax: 022 2446 0339

Email: ajcon@ajcon.net

WEB SITE

www.ajcon.net

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Saki Naka, Andheri (E),

Mumbai 400 072.

Tel No. 022 – 28473747/ 28473474/ 28470652/53

Fax: 91-22-28475207

Email: bigshare@bom7.vsnl.net.in

DEMAT ISIN NO.

INE759C01019

AJCON GLOBAL SERVICES LIMITED

AJCON GLOBAL SERVICES LIMITED

Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road,

Off. Hinduja Hospital, Mahim (West), Mumbai 400 016.

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Ajcon Global Services Limited will be held at the Registered Office of the Company on, Friday, 31st August, 2007 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajendra Bakiwala who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Ankit Ajmera who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

Mumbai

30.06.2007

Regd Off. : 101, Samarth, Lt. P.N. Kotnis Road

Off Hinduja Hospital, Mahim (W), Mumbai 400 016.

By Order of the Board

(Ashok Kumar Ajmera)

Chairman

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the Company at it's Registered Office not less than 48 hours before the meeting.
3. Members / Proxies should bring the Attendance Slip duly filled in and signed for attending the meeting.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 29.08.2007 to 31.08.2007 (both days inclusive).
6. Members are requested to send all communications concerning shares etc. to the Company's Registrar, Bigshare Services Pvt. Ltd. quoting their folio.
7. As stipulated under Clause 49 of the Listing Agreement, a profile and brief resume of the retiring directors seeking reappointment, their memberships/chairmanship in various Board Committees and names of other Companies in which they hold directorships, is given in the Corporate Governance Report which forms part of the Annual Report.

DIRECTORS' REPORT

AJCON GLOBAL SERVICES LIMITED

To

The Members,

Your Directors have great pleasure in presenting the Twentieth Annual Report and the Audited Accounts of your Company for the year ended 31st March 2007.

FINANCIAL RESULTS

	Year Ended 31.03.2007 (Rs. in Lacs)	Year Ended 31.03.2006 (Rs. in Lacs)
Income from Operations and Other Income	191.85	201.51
Profit before Financial overheads & Dep.	83.50	114.88
Less: Financial overheads	11.68	13.15
Less: Depreciation	16.73	13.84
Profit before Tax	55.09	87.89
Less: Provision for Tax	14.11	20.83
Profit after Tax	40.98	67.06
Less: Deferred Tax Liabilities	4.90	11.38
Add: Surplus brought forward	55.99	0.31
Profit carried to Balance Sheet	92.07	55.99

OPERATIONS:

The operations of the Company for the year under review have resulted in the gross profit of Rs. 83.50 Lacs against Rs. 114.88 Lacs in the previous year. After providing for interest, depreciation and taxes, the Company has earned a net profit of Rs. 40.98 Lacs as against the profit of Rs. 67.06 Lacs in the previous year. The gross revenue stood at 191.85 Lacs as against Rs. 201.51 Lacs during the previous year. The marginal fall in the revenue was due to the stiff competition which resulted into the reduction of brokerage rates further.

During the year under review, the performance of the company remained satisfactory. In order to launch its retail broking business in a big way, the company has put major emphasis on the internal systems & controls. The softwares at front end, mid office and back office have been upgraded so as to match with best of the systems. Proper risk management tools have been put in place and senior appointments were made at all levels of operations. The company also spent a lot of time and efforts to start its online internet broking portal, which is expected to be launched in the current year. The total number of broking branches have increased to 7 and 18 more branch locations have been identified. On the Institutional Broking front the company has added many more Institutional clients during the year. On the Consultancy & advisory front, the company has added a few more corporate clients and major leads are received on the global advisory front.

Share Capital

Listing & trading permission was received during the year from the Bombay Stock Exchange Ltd. for 10,00,000 equity shares of Rs. 10/- each issued under preferential Issue Guidelines of SEBI in the previous year. The Authorised capital and paid up capital of the Company remain at Rs. 700.00 Lacs and Rs. 580.12 Lacs respectively.

FUTURE OUTLOOK

With Indian economy growing at a fast pace as expected, the future of the company also remains very good. Capital market is the back bone of any growing economy and all our activities are related to Capital markets, industry and business. In order to utilize full potential of the professional management team and experienced key personnel, the company has planned the commencement of Merchant Banking and portfolio management services business, subject to regulatory approvals.

Barring unforeseen circumstances, your Board is hopeful of achieving a handsome growth in the business during the current year.

SUBSIDIARY COMPANY

Ajcon Commodity Brokers Ltd, the subsidiary Company has started off the business of Commodity Brokers as the member of Multi Commodity Exchange (MCX). Being a new business, it has taken some time to establish the requisite manpower, experience and expertise. Now the company is fully geared up to take a major plunge into the business of Commodity Broking and the coming year looks more promising.

In compliance with the requirement of section 212 (2) of the Companies Act, 1956, Directors' Report along with the Statement of Accounts of Ajcon Commodity Brokers Ltd., the subsidiary of your Company, for the year ended 31st March 2007 are appended to the Annual Report.

DIVIDEND

In order to conserve resources for expansion and working capital, your directors do not recommend any dividend.

DIRECTORS

In accordance with the provisions of Section 255 & 256 of the Companies Act, 1956 and Article of Association of the Company, Mr. Rajendra Bakiwala and Mr. Ankit Ajmera, Directors, retire by rotation and being eligible; offer themselves for re-appointment at the ensuing Annual General Meeting. Mr. Ashok Kumar Ajmera, Managing Director and Mr. Ajay Ajmera, Director are interested in above resolution being the relatives of Mr. Ankit Ajmera.

Brief resume of Directors proposed to be reappointed, nature of their expertise in specific functional areas and name of companies in which they hold directorship and memberships/Chairmanship of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchange in India, are provided in the Report on Corporate Governance forming part of Annual Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

CORPORATE GOVERNANCE

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a management discussion and analysis statement, Corporate Governance Report and Auditor Certificate are included in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departure for the same,
- ii. that the selected accounting policies were applied consistently and the directors 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 as on 31st March, 2007 and of the profit of the Company for the year ended on that 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.

INSURANCE

All the properties of the Company are adequately insured. The Company is also adequately insured for its activities as stock brokers & depository participant.

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

Particulars required to be given under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable, as the Company is not engaged in manufacturing activities. The Company has not earned or spent any foreign exchange during the year.

EMPLOYEE INFORMATION

No information pursuant to Section 217 (2A) of the Companies Act, 1956 is attached, as there was no employee drawing remuneration in excess of limits prescribed.

AUDITORS AND AUDITORS' REPORT AND CERTIFICATE

M/s. Shanbhag and Co., Chartered Accountants, Mumbai, Auditors of the Company, retire at the ensuing Annual General Meeting, are eligible for re-appointment, their appointment is recommended to hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received certificate from the Auditors to the effect that their reappointment, if made, will be in accordance with sub-section (1B) of section 224 of the Companies Act, 1956. The Auditors' Report forms the part of this Annual Report. The Auditors have also certified the Company's compliance requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is enclosed as an annexure to the Report on Corporate Governance.

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2007 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their thanks and gratitude to Company's bankers, Institutional and other clients and customers, SEBI, NSE, and other Authorities for their support, co-operation, guidance and assistance. The Board is also grateful to the shareholders for their continued confidence.

The Board of Directors take this opportunity to express their appreciation of the sincere efforts put in by the staff and executives at all the levels and hopes that they would continue their dedicated efforts in the future also.

For and on behalf of the

Board

Mumbai
30.06.2007

(Ashok Kumar Ajmera)
Chairman

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1 MANDATORY REQUIREMENTS

1.1 Company's philosophy on Code of Corporate Governance:

The Company believes in the practice of good corporate governance. A continuous process of delegation of powers commensurate with accountability, coupled with trust, faith and transparency has been embedded in the day-to-day functioning. The Company will endeavor to improve on these aspects on an ongoing basis.

1.2 Board of Directors: (Board)

a. Size of the Board

As on 31st March, 2007 the Board of Directors comprised the Managing Directors, two other interested directors and three non executive independent directors, who brings in a wide range of skill and experience to the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

b. No. of Board Meetings held during the year along with the dates of the meeting:

During the year 6 Board Meetings were held on following dates:

Sr. No.	Date	Sr. No.	Date
1 st	10.04.2006	5 th	31.01.2007
2 nd	30.06.2006	6 th	31.03.2007
3 rd	25.07.2006		
4 th	31.10.2006		

c. Composition, Category and their attendance at the Board meetings during the year and at the last Annual General Meeting as also the number of other Directorships / Memberships of Committees are as follows:

Category of Directorship	Names of the Director	Attendance details		Other Director ships	Other Board Committee	
		Board Meetings	Last AGM		Member-ships	Chair-man ships
Promoter/ Exe.Chairman	Mr. Ashok Kumar Ajmera	6	1	2	-	-
Promoter/ Exe. Director	Mr. Ankit Ajmera	6	1	2	-	-
Promoter/ Non-Exe. Director	Mr. Ajay Ajmera	5	1	-	-	-
Non Executive Directors	Mr. Narayan Atal	5	1	1	-	-
	Mr. Rajendra Bakiwala	5	1	-	-	-
	Mr. S.B.Limaye	5	1	-	-	-

* Excluding private, foreign and companies registered under Section. 25 of the Companies Act,1956.

1.3 Audit Committee:

a. Terms of Reference:

The terms of reference of this committee cover the matters as specified for Audit Committees under Clause 49 of the Listing Agreement as well as according to the provisions of section 292A of the Companies Act. 1956.

b. Composition, Meetings and Attendance:

Currently the 3 Member Audit Committee comprises of 3 Non-Executive and Independent Directors (NED) of which Mr. Rajendra Bakiwala - Director and Mr. Narayan Atal – Directors are Chartered Accountants. Mr. Narayan Atal continues to be the Chairman of the committee.

During the year, the committee met 4 times and the attendance of the members was as follows:

Name	No. of Meetings attended
Mr. S.B. Limaye	4
Mr. Narayan Atal	4
Mr. Rajendra Bakiwala	3

1.4 Remuneration Committee:

The Remuneration Committee comprises of two independent directors namely Mr. S.B.Limaye and Mr. Narayan Atal. Only one meeting of the Committee was held which was attended by both the Committee Members.

The details of the Remunerations paid to the Directors for the financial year 2006-2007 is given below:

Directors	Remuneration (including perquisites) (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Ashok Ajmera	5,34,000	-	-	5,34,000
Mr. Ankit Ajmera	3,30,000	-	-	3,30,000
Mr. S.B. Limaye	-	-	2,500	2,500
Mr. Narayan Atal	-	-	2,500	2,500
Mr. Rajendra Bakiwala	-	-	2,500	2,500

Mr. Ashok Kumar Ajmera is the Chairman & Managing Director of the Company. His appointment is contractual and is for a period of 5 (five) years. Mr. Ashok Kumar Ajmera's contract was renewed for a further period of 5 year upto 31.03.2012 at the 19th Annual General Meeting of the Company held on 28.09.2006. Mr. Ankit Ajmera, Director was appointed as the Executive Director, subject to regulatory approvals for a period of 5 years ending on 30/06/2011 in the 19th Annual General Meeting held on 28/09/2006.

1.5 Shareholders' / Investors' Grievance Committee:

- 2 member Shareholders' /Investors' Grievance Committee is comprised of Mr. S.B.Limaye, Mr.Narayan Atal both NED and Mr. Ankit Ajmera, Compliance Officer of the Company.
- During the year the Company received 4(four) investor complaints which were satisfactorily resolved.
- There were 723 shares of which transfer is pending at the close of the financial year.

1.6 Name and designation of Compliance Officer: Mr. Ankit Ajmera, Director is the Compliance Officer pursuant to Clause 47 (a) of the Listing Agreement with Stock Exchange.

1.7 General Body Meetings:

Date, Time and Location of the last three Annual General Meeting.

Year	Location	Date	Time
2003-04	101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic, Mahim (W), Mumbai 400016.	30.09.2004	10.00 a.m.
2004-05	101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic, Mahim (W), Mumbai 400016	18.09.2005	10.00 a.m.
2005-06	101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic, Mahim (W), Mumbai 400016	28.09.2006	10.00 a.m.

1.8 Disclosures:

- During the year, there were no transactions of material nature with the Promoters, Directors or the Management or their relatives or with the subsidiary etc. that have potential conflict with the interest of the Company at large.
- During the previous three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other Statutory Authority for non-compliance of any matter related to the Capital Market.
- None of the directors of the company are disqualified for being appointed as Directors as stipulated under section 274 (1)(g) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000.

1.9 Means of Communication:

- The quarterly results are published in National Daily in India including Mumbai edition published from Mumbai in English and Marathi, the regional language.
- These results are also displayed on the Company's Website viz. www.ajcon.net.
- These results are also displayed on SEBI's website www.sebidifar.nic.in
- The Management Discussion and Analysis report forms a part of this Annual Report.

1.10 GENERAL SHAREHOLDERS INFORMATION:

(a) ANNUAL GENERAL MEETING

Day and Date : Friday, 31 August, 2007
 Time : 10.00 a.m.
 Venue : Registered Office of the Company at 101, Samarth,
 Lt. P.N.Kotnis Road, Off. Hinduja Hospital,
 Mahim (W), Mumbai 400 016.

(b) PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT

At the ensuing Annual General Meeting of the Company, Mr. Rajendra Bakiwala and Mr. Ankit Ajmera would be retiring by rotation and being eligible for reappointment, have offered themselves for the same. A brief profile of the said Directors is given below:-

Mr. Rajendra Bakiwala aged 52 years is a B. Com, F.C.A. (Chartered Accountant) and possesses vast experience of over 30 years in Audit, taxation & management audits. Mr. Bakiwala is the member of the Audit committee.

Mr. Ankit Ajmera aged 29 years is a B. Com, MBA (UK) and possesses experience of over 6 years of capital markets and finance. He is the member of the Investors grievance Committee. Mr. Ankit Ajmera is also on the Boards of Ajcon Commodity Brokers Limited & Ajcon IT.com Ltd.

(c) FINANCIAL CALENDER

(Tentative and subject to change)

First quarter results ending 30.06.2007 : by July, 31,2007.
 Second quarter results ending 30.09.2007 : by October, 31,2007.
 Third quarter results ending 31.12.2007 : by January, 31,2008.
 Last quarter/Unaudited annual results

ending 31.03.2008 : by May 31, 2008.
Annual General Meeting for the : by September, 30, 2008.
Year ended 31.03.2008 : Mumbai
Venue of AGM

(d) **BOOK CLOSURE** : Wednesday, 29th August, 2007 to Friday, 31st August, 2007.

(e) **LISTING ON STOCK EXCHANGES**

Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023.
Annual Listing Fees as prescribed has been paid to the Stock Exchange for the year 2007-2008.
The Company's application for delisting is pending with Jaipur & Madhya Pradesh Stock Exchange.

(f) Stock exchange Code: **511692 (BSE)**

(g) Demat ISIN No: **INE759C01019**

(h) **Share Transfers and other communications shall be addressed to:**

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E),
Mumbai 400 072.

(i) **Investors' complaints may be addressed to:**

Compliance Officer
Ajcon Global Services Limited
101, Samarth, Lt. P. N. Kotnis Road,
Mahim West, Mumbai 400016.
Tel: 022 2446 0335 / 36 / 40
Fax : 022 2446 0339
Email : ajcon@ajcon.net

(j) **STOCK MARKET PRICE DATA**

High / Low during each month in last financial year on BSE:

Month / Year	High (Rs.)	Low (Rs.)	Month / Year	High (Rs.)	Low (Rs.)
April 2006	10.00	6.20	October 2006	7.74	5.74
May 2006	11.50	6.45	November 2006	7.95	5.96
June 2006	9.45	4.30	December 2006	10.00	5.72
July 2006	9.00	5.68	January 2007	10.14	6.92
August 2006	8.70	5.57	February 2007	9.96	6.20
September 2006	7.39	5.10	March 2007	9.52	5.41

(k) **REGISTRAR AND SHARE TRANSFER AGENTS**

The Company has appointed Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072 as Registrar and Share Transfer Agents of the Company.

(l) **Distribution of shareholding as on 31.03.2007**

Sr. No.	Range (in Rs.)	No. of Holders	% to total shareholders	Value in (Rs.)
1	1 - 5000	3618	87.69	46,91,480
2	5001- 10000	254	6.16	23,04,580
3	10001- 20000	107	2.59	17,13,160
4	20001- 30000	33	0.80	8,30,400
5	30001- 40000	13	0.32	4,54,190
6	40001- 50000	17	0.41	8,05,120
7	50001- 100000	27	0.65	20,58,500
8	100001 and above	57	1.38	451,54,570
Total		4126	100.00	580,12,000

(m) **Shareholding Pattern As On 31.03.2007**

	Category	No. of shares held	Percentage of Shareholding
A.	PROMOTERS HOLDING		
1.	Promoters		
a.	Indian promoters	31,06,575	53.55
b.	Foreign promoters	---	---
2.	Persons acting in concert	---	---
	Sub total	31,06,575	53.55
B.	NON PROMOTERS HOLDING		

3.	Institutional investors	---	---
a.	Mutual funds	52,100	0.90
b.	Banks, financial institutions Insurance companies (central / state govt. Institution / non government institutions	300	0.01
c.	Fii's	---	---
	Sub total	52,400	0.91
4.	OTHERS		
a.	Private corporate bodies	9,64,062	16.62
b.	Indian public	16,58,266	28.58
c.	Nris / ocb	19,174	0.33
d.	Any other – share in transit	723	0.01
	Sub total	26,42,225	45.55
	GRAND TOTAL	58,01,200	100.00

(n) DEMATERIALISATION OF SHARES

The shares of the Company are traded in compulsorily dematerialised form. As on 31.03.2007, 38,84,050 Equity shares have been dematerialized.

(o) ADDRESS FOR CORRESPONDENCE

Ajcon Global Services Limited
101, Samarth, Lt. P. N. Kotnis Road,
Mahim West, Mumbai 400 016.
Tel: 022 2446 0335 / 36 / 40
Fax: 022 2446 0339
Email: ajcon@ajcon.net

1.11 SECRETARIAL AUDIT

The Auditor's of the Company carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

1.12 COMPLIANCE CERTIFICATE FROM THE AUDITORS

A certificate from the Auditors of the Company certifying the Company's compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to and forms a part of this report.

1.13 CEO & CFO Certification

The Chairman & Managing Director who is the CEO & CFO of the Company has certified to the Board of Directors of the Company that:

- (a) They have reviewed financial statements and cash flow statement for the year and that to the best of their knowledge and belief;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or proposes to take to rectify these deficiencies.
- (d) They have indicated to the Auditors and the Audit Committee that there is:
 - (i) No significant change in internal control over financial reporting during the year
 - (ii) No significant change in accounting policies during the year under review and
 - (iii) No instance of any fraud in the Company in which the management has any role.

2. NON-MANDATORY REQUIREMENTS

2.1 Chairman of the Board:

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

2.2 Remuneration Committee:

Please refer item no. 1.4 in the Mandatory Requirements section.

2.3 Shareholders' Rights:

As the Company's Quarterly results are published in English Newspaper having circulation all over India and also in a Marathi Newspaper circulated in Maharashtra, the same are not sent to each household of shareholders.

2.4 Postal Ballot:

The provisions relating to Postal Ballot will be complied with in respect to matters where applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian economy embarked on a high growth path right since 2003-04 with a GDP growth of over 9% in 2006-07. There has been a tremendous improvement in production and performance across all the sectors accompanied by buoyancy in capital markets.

Understanding well the growth potential, your company has taken up expansion program of its retail broking business and strengthened its in house systems and controls. During the year, your company has added many more new institutional broking clients and empanelment with some more is in pipeline. In the coming years, the company is planning to place itself as complete financial solution provider with Merchant Banking and Portfolio Management services, subject to regulatory approvals. The company continues its thrust on providing the following services to its clients:-

- ☐ Equity Broking in Cash and F&O segment.
- ☐ Depository services.
- ☐ Commodity Broking (through its subsidiary company).
- ☐ Online internet trading.
- ☐ Marketing of IPO and other financial products.
- ☐ Merchant Banking services.
- ☐ Portfolio Management services.
- ☐ Investment Banking services.
- ☐ Consultancy & corporate advisory services.

Analysis of Financial Trends

The growth of Company's business could not keep pace with the overall development in the market. During the year the company has given major thrust on technological up gradation & development of major infrastructure which will bring results in the coming years. A lot of efforts have gone into setting up retail business network thereby affecting the current year's business.

The financials for last three years are as under :-

Financial Year	(Rs. in Lacs)	
	Gross Revenue	Net Profits
F.Y.2006-2007	191.85	40.98
F.Y.2005-2006	201.51	67.06
F.Y.2004-2005	100.13	30.19

Internal Control System

The Company has adequate internal control systems commensurate with the nature and size of its business. Internal Audit is conducted at regular intervals by independent firm of Chartered Accountants. System Audit is also conducted periodically by the qualified System Auditors.

Human Resources

The Company has been following standard procedure for recruitment of best personnel for all the departments and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The relation between the management and staff remained very cordial during the year.

Business Outlook

The Company is better placed as compared to its competitors having the combination of Stock & Commodity Broking on the one hand and Consultancy and Corporate Advisory Services on the other hand. The business prospects of the Company are very good considering the overall growth of the Capital Markets and the GDP growth of the Country

Safe Harbour Clause

The statements in this document, other than factual/ historical information, contain the words or phrases such as "expect", "plan", "objective" and other similar words, which are forward looking in nature. Such forward looking statements may be subject to a variety of risks and uncertainties that could result in actual results differing materially from those indicated in this document. The Company is not under any obligation to update such forward looking statements after this date.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of AJCON GLOBAL SERVICES LIMITED,

We have examined the compliance of conditions of Corporate Governance by Ajcon Global Services Limited for the year ended 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the 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 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances against the Company remaining unattended / pending for more than 30 days.

We further 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 G.N. SHANBHAG & CO.
Chartered Accountants

G.N. Shanbhag
(Proprietor)
Membership No. 32057

Mumbai
30th June, 2007

AUDITORS' REPORT

To,
THE MEMBERS OF AJCON GLOBAL SERVICES LIMITED,

We have audited the attached Balance Sheet of AJCON GLOBAL SERVICES LIMITED as at 31st March 2007 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in Paragraph 2 above, 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 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company;
 - e) On the basis of written representations received from the Directors as on 31st March, 2007 and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007 from being appointed as a Director in terms of clause (g) of the sub section (1) of the Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance sheet, of the state of affairs of the Company as at 31st March 2007,
 - ii) In the case of the Profit & Loss Account, of the profit for the year ended on 31st March 2007,
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March 2007.

For G.N. SHANBHAG & CO.
Chartered Accountants

G.N. Shanbhag
(Proprietor)
Membership No. 32057

Mumbai
30th June 2007

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph (2) of our report of even date)

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of a major portion of fixed assets as at 31st March, 2007 was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) During the year, the Company has not disposed off any Fixed Assets and therefore the going concern status of the Company is not affected.
2. In respect of inventories,
 - a) Company's inventory comprises of only the shares and securities. The Management during the year has physically verified these stocks which were not in dematerialised form and the rest were verified through demat statements of depositaries. In our opinion the frequency of such verification was reasonable.
 - b) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book record.
3. In respect of loans, secured or unsecured, granted or taken by the Company to and from companies, firms or other parties covered in the Register maintained under Section 301 of the companies Act, 1956;
The Company has granted interest free loans of Rs. 52.30 lacs(Rs. 60.00 Lacs) to its subsidiary Company. There are no stipulations as regards repayment of the said loan amount and hence the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of equipments and other assets and with regards to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. To the best of our knowledge and belief and according to the information and explanations given to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The Company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act 1956.
9. According to the records, the Company was not required to pay any provided fund amount. The undisputed amounts payable in respect of taxes, wealth tax, service tax, sales tax, customs duty, excise duty, and any other statutory dues have generally been deposited regularly with the concerned authorities.
10. The Company does not have any carry forward losses and also not incurred cash loss either during the year or in the immediately preceding financial year.
11. According to the information and explanation given to us by the Management, the Company has not defaulted in scheduled repayment of dues to banks and financial institutions.
12. Based on our examination of the records and 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.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is dealing and trading in shares, securities, debentures and other investments and has maintained proper records of the transactions and contracts and timely entries are made therein. All the shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Act.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by other from Bank or Financial Institutions.
16. According to the information and explanations given to us, the term loan from Bank during the year has been applied by the Company for the purpose for which loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment and vice versa.
18. During the year, the Company has not made preferential allotment of Equity Shares to the parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures.
20. The company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For G.N. SHANBHAG & CO.
Chartered Accountants

Mumbai
30th June, 2007

G.N. Shanbhag
(Proprietor)
Membership No. 32057

AJCON GLOBAL SERVICES LIMITED

BALANCE SHEET AS ON 31ST MARCH 2007

	Schedule	2006-2007 Rs.	2005-2006 Rs.
LIABILITIES			
<u>Sources of Funds</u>			
Shareholders Funds			
Share Capital	A	58,012,000	58,012,000
Reserves and Surplus	B	9,206,931	5,599,152
<u>Borrowed Funds</u>			
Secured Loans	C	5,398,539	5,706,807
Unsecured Loans	D	8,650,000	11,025,000
Deferred Tax Liability		1,627,482	1,137,610
		82,894,952	81,480,569
ASSETS			
<u>Application of Funds</u>			
Fixed Assets	E		
Gross Block		23,207,946	19,516,618
Less: Depreciation		7,690,351	6,017,515
Net Block		15,517,595	13,499,103
Investment	F	17,750,000	17,750,000
Current Assets & Loans and Advances			
Inventories	G	14,982,589	13,851,139
Sundry Debtors	H	15,311,082	16,318,189
Cash & Bank	I	2,453,683	3,735,130
Loans & Advances	J	27,522,855	26,471,488
		60270209	60375946
Less: Current Liabilities & Provisions			
Current Liabilities	K	7,148,852	7,716,480
Provision for Taxation		3,494,000	2,428,000
		10,642,852	10,144,480
Net Current Assets		49,627,357	50,231,466
(to the extent not written off or adjusted)			
		82,894,952	81,480,569
Notes forming the part of accounts	P		

As per our report of even date attached

FOR G.N. SHANBHAG & CO.

CHARTERED ACCOUNTANTS

G.N. SHANBHAG

PROPRIETOR

M. No. 32057

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B. Limaye
DIRECTOR

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Mumbai
30.06.2007

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

AJCON GLOBAL SERVICES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

PARTICULARS	Schedule	2006-2007 Rs.	2005-2006 Rs.
INCOME			
Income from Operations	L	18,811,944	19,766,798
Other Income	M	372,805	384,668
		<u>19,184,749</u>	<u>20,151,466</u>
EXPENDITURE			
Administrative and Operative Expenses	N	10,835,209	8,563,899
Financial Expenses	O	1,168,053	1,315,220
Depreciation		1,672,836	1,383,644
Premium on redemption of Pref. Share W/o		NIL	100,000
		<u>13,676,098</u>	<u>11,362,763</u>
Profit Before Tax		5,508,651	8,788,703
Provision for taxation :-			
Income tax		1,335,000	2,000,000
Deferred Tax Liabilities		489,872	223,104
Fringe Benefit Tax		76,000	83,000
		<u>3,607,779</u>	<u>6,482,599</u>
Profit After Tax		3,607,779	6,482,599
Less : Deferred tax liability for previous year		NIL	914,506
		<u>3,607,779</u>	<u>5,568,093</u>
Add: Balance brought forward		5,599,152	31,059
Balance carried forward to Balance sheet		<u>9,206,931</u>	<u>5,599,152</u>
Earning Per Share - Basic & Diluted		0.62	1.12

Notes forming the part of accounts

Q

As per our report of even date attached

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B. Limaye
DIRECTOR

G.N. SHANBHAG
PROPRIETOR
M. No. 32057

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Mumbai
30.06.2007

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

AJCON GLOBAL SERVICES LIMITED

PARTICULARS	2006-2007	2005-2006								
	Rs.	Rs.								
Schedule A										
SHARE CAPITAL										
Authorised										
63,50,000 (63,50,000) Equity Shares of Rs.10/- each	63,500,000	63,500,000								
65,000 (65,000) Preference Shares of Rs. 100/- each	6,500,000	6,500,000								
	70,000,000	70,000,000								
Issued, Subscribed & Paid up										
58,012,00 (58,012,00) Equity Shares of Rs.10/- each	58,012,000	58,012,000								
fully paid up (out of this 2,90,250 Equity Shares were allotted as fully paid up by way of Bonus shares by capitalisation of General Reserve)										
	58,012,000	58,012,000								
Schedule B										
RESERVES & SURPLUS										
Profit and Loss Account	9,206,931	5,599,152								
	9,206,931	5,599,152								
Schedule C										
SECURED LOANS										
Term Loan From Bank	5,398,539	5,000,000								
Interest Accrued on Term Loan	NIL	56,807								
Overdraft against Fixed Deposits	NIL	650,000								
	5,398,539	5,706,807								
Schedule D										
UNSECURED LOANS										
From Bank	200,000	2,900,000								
Intecoporate	2,400,000	2,400,000								
Security/Margin Deposits	6,050,000	5,725,000								
	8,650,000	11,025,000								
Schedule E										
FIXED ASSETS										
ASSET	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1.4.2006	Additions in 2006-2007	Deduction in 2006-2007	As at 31.3.2007	As at 1.4.2006	Deductions	for the year	As at 31.3.2007	As at 31.3.2007	As at 31.3.2006
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OFFICE PREMISES	6159857	-	-	6159857	106183	-	100405.67	206588.67	5953268.33	6053674
FURNITURE	2088024	1237611	-	3325635	428873	-	151317.92	580190.92	2745444.08	1659151
COMPUTERS	6653714	1431276	-	8084990	4205843	-	1204934.04	5410777.04	2674212.96	2447871
MOTOR VEHICLES	716466	343481	-	1059947	630407	-	87099.27	717506.27	342440.73	86059
AIR CONDITIONER	451613	148556	-	600169	107230	-	29563.10	136793.10	463375.90	344383
ELECTRICAL INSTALLATIONS	958185	250860	-	1209045	278271	-	69244.68	347515.68	861529.32	679914
OFFICE EQUIPMENTS	477759	279544	-	757303	260708	-	30271.14	290979.14	466323.86	217051
REGISTRATION FEES	350000	0	-	350000	0	-	0.00	0.00	350000.00	350000
STOCK EXCHANGE CARD	1661000	0	-	1661000	0	-	0.00	0.00	1661000.00	1661000
	19516618	3691328	-	23207946	6017515	-	1672835.82	7690350.82	15517595.18	13499103
PREVIOUS YEAR	17206103	2310515	-	19516618	4633871	-	1383644	6017515	13499103	12572232

AJCON GLOBAL SERVICES LIMITED

PARTICULARS	2006-2007	2005-2006
	Rs.	Rs.
<u>Schedule F</u>		
<u>INVESTMENTS (At Cost)</u>		
Unquoted Shares 17,75,000 (17,75,000) Equity Shares of Rs. 10/- each of Ajcon Commodity Brokers Ltd. (formerly known as Ajcon Finance Ltd.), a subsidiary company	17,750,000	17,750,000
	<u>17,750,000</u>	<u>17,750,000</u>
<u>Schedule G</u>		
<u>INVENTORIES (At Cost)</u>		
Stock of Shares and Securities	14,982,589	13,851,139
	<u>14,982,589</u>	<u>13,851,139</u>
<u>Schedule H</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding Six months	26,64,592	3,056,298
Others	1,26,46,490	13,261,891
	<u>15,311,082</u>	<u>16,318,189</u>
<u>Schedule I</u>		
<u>CASH & BANK BALANCE</u>		
Cash in Hand	252,960	181,862
Balance with Scheduled Banks		
-in Current Account	316,180	262,909
-in Fixed Deposit Account	1,884,543	3,290,359
	<u>2,453,683</u>	<u>3,735,130</u>
<u>Schedule J</u>		
<u>LOANS AND ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received	11,675,454	11,572,567
Advance to staff	1,238,750	789,250
Deposits	14,608,651	14,109,671
	<u>27,522,855</u>	<u>26,471,488</u>
<u>Schedule K</u>		
<u>CURRENT LIABILITIES</u>		
Creditors for trade and others	4,648,852	4,116,480
Advances from constituents	2,500,000	3,600,000
	<u>7,148,852</u>	<u>7,716,480</u>
<u>Schedule L</u>		
<u>INCOME FROM OPERATIONS</u>		
Income from Stock Market Operations	11,147,049	10,039,998
Income from Consultancy and Advisory Services	7,005,875	8,616,000
Commission and Conducting Fees	NIL	286,000
Profit from Securities Trading Activities	659,020	824,800
	<u>18,811,944</u>	<u>19,766,798</u>

AJCON GLOBAL SERVICES LIMITED

PARTICULARS	2006-2007	2005-2006
	Rs.	Rs.
<u>Schedule M</u>		
<u>OTHER INCOME</u>		
Interest (TDS Rs.27,530)	122,693	108,127
Miscellaneous Income	8,288	126,833
Dividend	241,824	149,708
	<u>372,805</u>	<u>384,668</u>
<u>Schedule N</u>		
<u>ADMINISTRATIVE AND OPERATIVE EXPENSES</u>		
Rent, Rates and Taxes	378,200	198,000
Insurance Premium	100,132	83,000
Salaries and Retainership Fees	5,576,040	4,050,000
Staff Welfare	502,135	460,548
Postage, Courier and Telephone	589,023	447,452
Electricity Charges & expenses	410,183	307,691
Printing & Stationery	249,389	255,434
Advertising & Business Promotion	692,901	317,550
Repairs & Maintenances	417,349	330,707
Travelling & Conveyance	571,979	594,542
Membership & Subscription	469,939	450,580
Auditors' Remuneration	28,652	23,597
Legal & Professional Fees	237,813	301,400
Commission, Discount and Rebate	32,042	28,600
Sundry Expenses	509,432	416,327
Transaction Charges (Net)	70,000	298,471
	<u>10,835,209</u>	<u>8,563,899</u>
<u>Schedule O</u>		
<u>FINANCIAL EXPENSES</u>		
Interest and delayed Payment charges	1,022,510	1190045
Bank Charges and Commission	145,543	125175
	<u>1,168,053</u>	<u>1,315,220</u>

As per our report of even date attached

Schedule P**Notes to Accounts for the year ended 31st March 2007****1. Significant Accounting Policies****a) Method of Accounting:**

The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

b) Use of Estimates:

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statement and the reported amount of revenue and expenses during the year. Difference between actual results and estimates are recognized in the year in which the results are known / materialized.

c) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment loss except Registration fees for Membership of SEBI, AMBI and Stock Exchange Card. Registration fees for Membership of SEBI, AMBI and Stock Exchange Card have been stated at their cost of acquisition

d) Depreciation:

No depreciation is provided on Membership fees and Stock Exchange Card. Depreciation on all other assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such additions, or upto the date of sale/disposal, as the case may be.

e) Investments:

Investments are treated as long term investments and the same are stated at the cost, without considering any increase or erosion in the value.

f) Inventories:

Inventories consisting of stocks and securities are stated at cost without considering any increase or erosion in value thereof.

g) Revenue Recognition:

- i. Revenue is recognized where there is reasonable certainty of its ultimate realization.
- ii. Consultancy and Advisory fees are accounted on accrual basis depended on the progress of assignment.
- iii. Brokerage on stock market operations is recognized on completion of settlement period.
- iv. Dividend income has been accounted on receipt basis.
- v. Income other than above is accounted on accrual basis.

h) Segment Reporting:

The Company operates in single business segment i.e. financial services.

i) Earning per Share (E.P.S):

The basic earning per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of Equity Shares outstanding during the reporting year.

2. Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

Contingent Liabilities includes:

- (i) Counter Guarantees given for the Bank Guarantees for Rs. 35.00 Lacs (less margin deposit of Rs. 18.85 Lacs) issued by the bankers of the Company in favour of the National Securities Clearing Corporation Ltd. (NSCCL).
- (ii) No interest has been provided on amount of Inter Corporate Deposit of Rs. 24.00 Lacs under dispute, which the management is confident of settling on favorable terms, without any interest.

In consideration with concept of prudence, no contingent assets are recognized.

3. Secured Loans

- (i) The term loans from the Andhra Bank (o/s Rs. 51.34 Lacs) is secured by mortgage of Office premises, hypothecation of movable fixed assets and personal guarantee of Managing Director.
- (ii) The term loan from ICICI Bank (o/s Rs. 2.65 Lacs) is secured against the hypothecation of Motor vehicle.

4. Provision for Taxation**- Current Tax**

Provision for current year taxation is determined as the tax payable in respect of taxable income for the year and is computed in accordance with provision of relevant statute.

- Deferred Tax

The Company has provided for deferred tax liability in accordance with Accounting Standard 22 – “Accounting for Taxes on Income” issued by The Institute of Chartered Accountants of India. In accordance with transition provision of AS-22, the Company has adjusted the opening deferred tax liability against opening revenue reserves.

Deferred tax resulting from timing difference between book profit and tax profit is accounted for at the current tax rate/substantively enacted tax rate, as applicable, to the extent that the timing differences are expected to crystallize.

The break-up of Deferred Tax Liability as on 31st March 2007 is as follows:

	31.03.2007	31.03.2006
Opening Liability (provided for the first time)	Rs. 11.37 Lacs	Rs. 9.14 Lacs
DTL on account of Depreciation	Rs.4.90 Lacs	Rs. 2.23 Lacs
Closing Balance	Rs. 16.27 Lacs	Rs. 11.37 Lacs

5. Impairment of Assets.

Impairment of Assets, if any, is recognized in accordance with AS-28.

- In the opinion of the Board of Directors, the current assets, loans and advances are of the value as stated, if realised in the ordinary course of the business, except to the extent of the erosion in the value of stock which is undeterminable, due to non availability of market quotations in some of cases. The Book Debts of Rs. 26.65 Lacs (Rs. 30.56 Lacs) are outstanding for the period exceeding six months but considered good by the management and hence not provided for.
- Advances recoverable in cash or in kind or for value to be received include Rs. 52,30,000/- (Rs. 60,00,000/-) due from the subsidiary Company.
- Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation, if any.
- Related Party Disclosures:
Disclosure in respect of applicability of AS 18 – Related Party Disclosure

Nature of Relationship	Related Party
A. Related party where control exists:	
Subsidiary Company	M/s Ajcon Commodity Brokers Limited
B. Related parties where significant influence exists:	
Associate Enterprise	M/s Ajcon IT.Com Ltd M/s Ajcon Communication Pvt. Ltd M/s Ajcon Consultants Pvt. Ltd M/s Ajcon Exports Pvt. Ltd M/s Jagati Estate Developers Pvt. Ltd M/s Surge Impex Pvt. Ltd M/s A. Ajmera & Associates.
C. Key Management Personnel:	
Chairman and Managing Director	Mr. Ashok Kumar Ajmera
Director	Mr. Ankit Ajmera
Director	Mr. Ajay Ajmera
D Other Key Related Parties	Mr. Ajit Ajmera Mr. Anuj Ajmera

E. Significant transactions with related parties

(Rs. In Lacs)

Nature of Transaction	Subsidiary Company	Key Management Personnel	Other Related Parties
Loans & Advance (Net)	7.70	-	-
Remuneration	-	8.64	-
Rent paid	-	-	0.45
Broking Transactions - Brokerage earned	-	0.03	0.02

F. Outstanding balances as on 31.03.2007			(Rs. In Lacs)
Nature of Transaction	Subsidiary Company	Key Management Personnel	Other Subsidiary Parties
Loans & Advance given - M/s Ajcon Commodity Brokers Limited (Formerly known as Ajcon Finance Ltd)	52.30	-	-
Sundry Creditors	-	6.30	1.16

10. Managerial remuneration under Section 198 of the Companies Act, 1956:

	2006-2007 (Rupees)	2005-2006 (Rupees)
a) Paid to Managerial persons	9,36,000.00	9,66,000.00
	9,36,000.00	9,66,000.00

The Company is of the opinion that the computation of the net profit u/s.349 of the Companies Act, 1956 need not be made since no commission is paid/payable to the Directors for the period.

11. Earning per share (EPS)- AS20	2006-2007 (Rs.)	2005-2006 (Rs.)
-Profit attributable to Equity Shareholders	36,07,779	64,82,599
-Equity Share Capital	5,80,12,000	5,80,12,000
-Weighted Average number of Equity shares Outstanding (Face Value Rs. 10/- per shares)(nos.)	58,01,200	50,06,680
-Earning Per share-Basic & diluted (Rs.)	0.62	1.29

12. Statement pursuant to Section 212 of the Companies Act, 1956 is appended hereto.

13. Auditors' Remuneration:

	2006-2007 (Rupees)	2005-2006 (Rupees)
a) Statutory Audit Fees	16,854.00	13,465.00
b) Tax Audit Fees	5,618.00	4,490.00
c) Other services	6180.00	5,612.00
	28,652.00	23,597.00

14. Information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956. (to the extent applicable and as certified by the Management)

- Quantitative Details: **Shares and Securities**
The Company trades in Equity shares, which involves continuous purchases and sales. Such trades are settled with actual delivery of the shares or without the delivery of the shares. Considering the volume of the transactions and variety of scripts, traded at various prices, it is not practical and meaningful to compile the quantitative details of the shares and securities. Hence, the quantitative details are not furnished.
- CIF value of imports, Expenditure & Earning in foreign exchange - N.A
- Break up of Imported & Indigenous materials and components concerned - N.A
- Previous years figures are mentioned in bracket.

15. Previous year's figures are regrouped, reclassified or rearranged/recast wherever necessary in order to bring them in conformity with the current year's figures.

As per our report of even date attached

For G. N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

G.N.SHANBHAG
PROPRIETOR
M. No. 32057

Mumbai
30th June, 2007

Ashok Kumar Ajmera
MANAGING DIRECTOR

Narayan Atal
DIRECTOR

Ajay Ajmera
DIRECTOR

S.B. Limaye
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Ankit Ajmera
DIRECTOR

AJCON GLOBAL SERVICES LIMITED

(INFORMATION PURSUANT TO PART IV OF SCHEDULE VI)

Balance Sheet abstract and a Company profile

A. Registration Details			
Registration No.	:	41941	
Balance Sheet Date	:	31.03.2007	
B. Capital raised during the year (Amount in Rs. Thousand)			
Public Issue	:	Nil	Right Issue : Nil
Bonus Issue	:	Nil	Private Placement : Nil
C. Position of Mobilisation and Deployment of funds (Amt in Rs. Thousand)			
Total Liabilities	:	82,895	Total Assets : 82,895
Sources of funds		Application of funds	
Paid up capital	:	58,012	Net Fixed Assets : 15,518
Reserves and Surplus	:	9,207	Investments : 17,750
Secured Loans	:	5,399	Net Current Assets : 49,627
Unsecured Loans	:	8,650	Misc. Expenditure : Nil
Deferred Tax Liability	:	1,627	
D. Performance of Company			
Turnover	:	19,185	Total Expenditure : 13,676
Profit before tax	:	5,509	Profit after tax : 3,608
Earning per share (Rs.)	:	0.62	Dividend : Nil
E. Generic names of three principal products/ Services of the Company			
Product Description	:	N.A.	Item code No. : N.A. (ITC Code)

As per our report of even date attached

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B. Limaye
DIRECTOR

G.N. SHANBHAG
PROPRIETOR
M. No. 32057

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

Mumbai
30.06.2007

AJCON GLOBAL SERVICES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2007

	2006-2007		2005-2006	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flows from Operating Activities				
Net Profit before Tax and extra ordinary items		5,508,651		8,788,703
Adjustments for:				
Depreciation	1,672,836		1,383,644	
Interest and finance charges (net)	1,268,680	2,941,516	1,207,093	2,590,737
Operating profit (loss) before working capital changes		8,450,167		11,379,440
Adjustments for:				
Trade and other receivables	(44,260)		(10,614,900)	
Inventories	(1,131,450)		(1,313,131)	
Current Liabilities	(912,628)	(2,088,338)	1,668,440	(10,259,591)
Cash generation from operations		6,361,829		1,119,849
Interest and Finance charges paid (net)		(1,268,680)		(1,207,093)
Taxation				
Net Cash Flow from Operating Activities		5,093,149		(87,244)
B. Cash Flows from Investing Activities				
Purchase of Fixed Assets	(3,691,328)		(2,310,515)	
Sale of Fixed Assets	-		-	
Sale of Investments	-		-	
Net Cash from Investing activities		(3,691,328)		(2,310,515)
C. Cash Flows from Financing Activities				
Share Capital (Net)			3,500,000	
Secured Loans	(308,268)		(293,193)	
Unsecured Loans	(2,375,000)		225,000	
Net Cash from Financing activities		(2,683,268)		3,431,807
Net increase in Cash and Cash equivalents		1,281,447		1,034,048
Cash and Cash equivalents as at 01.04.2006		3,735,130		2,701,082
Cash and Cash equivalents as at 31.03.2007		2,453,683		3,735,130

As per our report of even date attached

FOR G.N. SHANBHAG & CO.

CHARTERED ACCOUNTANTS

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B. Limaye
DIRECTOR

G.N. SHANBHAG

PROPRIETOR

M. No. 32057

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Mumbai

30.06.2007

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT

We have examined the attached Cash Flow Statement of Ajcon Global Services Limited for the year ended 31.03.2007. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 30.06.2007 to the members of the Company.

For G.N. SHANBHAG & CO.
Chartered Accountants

Mumbai
30.06.2007

G.N. Shanbhag
(Proprietor)
Membership No. 32057

**AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)**

**STATEMENT IN ACCORDANCE WITH PROVISIONS OF
SECTION 212 OF THE COMPANIES ACT, 1956**

Name of Subsidiary		AJCON COMMODITY BROKERS LTD. (Formerly known as Ajcon Finance Limited)	
1.	Financial year of the Subsidiary ended on		31.03.2007
2.	Date from which it became subsidiary		18.01.1995
3.	Extent of the interest of the Company in the Subsidiary at the end of the financial year of each		
	a) Face value	Rs.	10.00
	b) Number of shares held by : Ajcon Global Services Ltd. (Holding Co.) with its nominees at the end of 31.03.2007	No.	17,75,000 equity shares of Rs. 10/- each fully paid up
	c) Shareholding percent : Ajcon Global Services Ltd. (Holding Co.) At the end of 31.03.2007	%	88.75
4.	a) Net aggregate amount of profits less losses so far as they concern members of the Company and not dealt with, in the Company's account		
	i) For the financial year ended 31.03.2007	Rs.	1,90,249.00
	ii) For the previous years since it became a subsidiary	Rs.	(9,68,279)
	b) Net aggregate amount of profits less losses so far as they concern members of the Company and dealt with, in the Company's account		
	i) For the financial year ended 31.03.2007	Rs.	Nil
	ii) For the previous years since it became a subsidiary	Rs.	Nil

As per our report of even date attached

**For G.N. SHANBAG & CO.
CHARTERED ACCOUNTANTS**

**Ashok Kumar Ajmera
MANAGING DIRECTOR**

**S.B.Limaye
DIRECTOR**

**G.N.SHANBHAG
PROPRIETOR
MEM. NO. 32057**

**Narayan Atal
DIRECTOR**

**Rajendra Bakiwala
DIRECTOR**

**Ajay Ajmera
DIRECTOR**

**Ankit Ajmera
DIRECTOR**

Mumbai
30.06.2007

**AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)**

AUDITOR'S REPORT

To
THE MEMBERS OF AJCON GLOBAL SERVICES LIMITED,

We have audited the attached Consolidated Balance Sheet of AJCON GLOBAL SERVICES LIMITED, it's Subsidiary as at 31st March 2007 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statements of AJCON GLOBAL SERVICES LIMITED and it's Subsidiary included in Consolidated Financial Statements.

In our opinion and to the best of our information and explanation given to us, and on the consideration of the separate audit reports on individual audited financial statements of AJCON GLOBAL SERVICES LIMITED, it's subsidiary read together with significant accounting policies :

- (i) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company, it's subsidiary as at 31st March 2007,
- (ii) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of AJCON GLOBAL SERVICES LIMITED, it's subsidiary for the year ended on that date, and
- (iii) The Consolidated Cash Flow Statement gives a true and fair view of the cash flows of AJCON GLOBAL SERVICES LIMITED, it's subsidiary for the year ended on that date.

Mumbai
30.06.2007

**For G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS**

**G.N. SHANBHAG
(PROPRIETOR)
Membership No. 32057**

**AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2007

Particulars	Schedule	2006-2007 Rs.	2005-2006 Rs.
LIABILITIES			
<u>Sources of Funds</u>			
Shareholders' Funds			
Share Capital	A	58,012,000	58,012,000
Reserve & Surplus	B	8,517,317	4,739,804
<u>Borrowed Funds</u>			
Secured Loans	C	5,398,539	5,706,807
Unsecured Loans	D	8,650,000	11,025,000
Deferred Tax Liability		1,690,681	1,193,932
Minority Interest	E	2,162,584	2,141,069
		84,431,121	82,818,612
ASSETS			
<u>Application of Funds</u>			
Fixed Assets	F		
Gross Block		23,823,769	19,972,441
Less: Depreciation		8,035,772	6,272,451
Net Block		15,787,997	13,699,990
Investments		-	-
Current Assets & Loans and Advances			
Inventories	G	26,277,490	25,311,774
Sundry Debtors	H	15,809,622	16,586,558
Cash & Bank Balances	I	2,880,159	4,178,035
Loans & Advances	J	35,048,098	33,887,731
		80,015,369	79,964,098
Less: Current Liabilities & Provisions			
Current Liabilities	K	7,839,942	8,416,335
Provision for Taxation		3,535,044	2,438,044
		11,374,986	10,854,379
Net Current Assets		68,640,383	69,109,719
Miscellaneous Expenditure	L	2,741	8,903
(to the extent not written off or adjusted)			
		84,431,121	82,818,612
Notes forming the part of accounts	Q		

As per our report of even date attached

FOR G.N. SHANBHAG & CO.

CHARTERED ACCOUNTANTS

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B.Limaye
DIRECTOR

G.N. SHANBHAG

PROPRIETOR

M. No. 32057

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Mumbai
30.06.2007

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2007

PARTICULARS	Schedule	2006-2007 (Rs.)	2005-2006 (Rs.)
INCOME			
Income from Operations	M	19,933,993	20,545,053
Other Income	N	385,052	389,918
		<u>20,319,045</u>	<u>20,934,971</u>
EXPENDITURE			
Administrative and Operative Expenses	O	11,630,945	9,199,383
Financial Expenses	P	1,180,840	1,321,692
Depreciation		1,763,321	1,452,881
Premium on redemption of Preferece share w/o		NIL	100,000
Preliminary and Pre-Operative Expenses w/o.		<u>6,162</u>	<u>6,162</u>
		<u>14,581,268</u>	<u>12,080,118</u>
Profit Before Tax		5,737,777	8,854,853
Provision for Taxation:			
Current Tax		1,360,500	2,000,000
Deferred Tax		496,749	220,679
Fringe Benefit Tax		<u>81,500</u>	<u>93,469</u>
Profit After Tax		3,799,028	6,540,705
Deferred Tax Liability for the previous year		NIL	(970,827)
Balance brought forward		4,739,804	(829,873)
Minority Interest Apportioned		(21,515)	(201)
Balance carried forward to Balance sheet		<u>8,517,317</u>	<u>4,739,804</u>
Earning Per Share - Basic & Diluted		0.65	1.11

Notes forming the part of accounts

Q

As per our report of even date attached

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B.Limaye
DIRECTOR

G.N. SHANBHAG
PROPRIETOR
M. No. 32057

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Mumbai
30.06.2007

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)

SCHEDULES 'A' to 'Q' ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED ON 31st MARCH 2007

PARTICULARS	2006-2007 Rs.	2005-2006 Rs.
<u>Schedule A</u>		
<u>SHARE CAPITAL</u>		
Authorised		
63,50,000 (63,50,000) Equity Shares of Rs. 10 each	63,500,000	63,500,000
65,000 (65,000) Preference Shares of Rs. 100 each	6,500,000	6,500,000
	<u>70,000,000</u>	<u>70,000,000</u>
Issued, Subscribed & Paid up		
58,01,200 (58,01,200) Equity Shares of Rs.10/- each fully paid up (out of this 2,90,250 Equity Shares were allotted as fully paid up by way of bonus shares by capitalisation of General Reserve)	58,012,000	58,012,000
	<u>58,012,000</u>	<u>58,012,000</u>
<u>Schedule B</u>		
<u>RESERVE & SURPLUS</u>		
Profit and Loss Account	8,517,317	4,739,804
	<u>8,517,317</u>	<u>4,739,804</u>
<u>Schedule C</u>		
<u>SECURED LOANS</u>		
Term Loan from Banks	5,398,539	5,000,000
Int. Accrued on Term Loan	NIL	56,807
Loan against Fixed Deposits	NIL	650,000
	<u>5,398,539</u>	<u>5,706,807</u>
<u>Schedule D</u>		
<u>UNSECURED LOANS</u>		
From Bank	200,000	2,900,000
Intercorporate	2,400,000	2,400,000
Security/Margin Deposits	6,050,000	5,725,000
	<u>8,650,000</u>	<u>11,025,000</u>
<u>Schedule E</u>		
<u>MINORITY INTEREST</u>		
Face Value of shares held by minority	2,250,000	2,250,000
Less: Appropriation of Losses	87,416	108931
	<u>2162584</u>	<u>2141069</u>

Schedule F
FIXED ASSETS

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.2006 Rs.	Addition in 2006-2007 Rs.	Deduction in 2006-2007 Rs.	As at 31.3.2007 Rs.	As at 1.4.2006 Rs.	Deductions for the year Rs.	As at 31.3.2007 Rs.	As at 31.3.2007 Rs.	As at 31.3.2006 Rs.	
OFFICE PREMISES	6,159,857	-	-	6,159,857	106,183	-	100,406	206,589	5,953,268	6,053,674
FURNITURE	2,107,324	1,237,611	-	3,344,935	440,994	-	152,540	593,534	2,751,401	1,666,330
COMPUTERS	7,061,229	1,591,276	-	8,652,505	4,428,401	-	1,292,606	5,721,007	2,931,498	2,632,828
MOTOR VEHICLES	716,466	343,481	-	1,059,947	630,407	-	87,099	717,506	342,441	86,059
AIR CONDITIONER	451,613	148,556	-	600,169	107,230	-	29,563	136,793	463,376	344,383
ELECTRICAL INSTALLATIONS	962,043	250,860	-	1,212,903	282,129	-	69,245	351,374	861,529	679,914
OFFICE EQUIPMENTS	502,909	279,544	-	782,453	277,107	-	31,863	308,970	473,483	225,802
REGISTRATION FEES	350,000	-	-	350,000	-	-	-	-	350,000	350,000
STOCK EXCHANGE CARD	1,661,000	-	-	1,661,000	-	-	-	-	1,661,000	1,661,000
	<u>19,972,441</u>	<u>3,851,328</u>	<u>-</u>	<u>23,823,769</u>	<u>6,272,451</u>	<u>-</u>	<u>1,763,321</u>	<u>8,035,772</u>	<u>15,787,997</u>	<u>13,699,990</u>
PREVIOUS YEAR	17,604,667	2,367,774	-	19,972,441	4,819,570	-	1,452,881	6,272,451	13,699,990	12,785,097

AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)

PARTICULARS	2006-2007 Rs.	2005-2006 Rs.
<u>Schedule G</u>		
<u>INVENTORIES (At Cost)</u>		
Stock of Shares and Securities	26,277,490	25,311,774
	<u>26,277,490</u>	<u>25,311,774</u>
<u>Schedule H</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding Six months	3,056,298	3,056,298
Others	12,753,324	13,530,260
	<u>15,809,622</u>	<u>16,586,558</u>
<u>Schedule I</u>		
<u>CASH & BANK BALANCE</u>		
Cash In Hand	309,665	228,835
Balance with Scheduled Banks		
-in Current Account	385,951	458,841
-in Fixed Deposit Account	2,184,543	3,490,359
	<u>2,880,159</u>	<u>4,178,035</u>
<u>Schedule J</u>		
<u>LOANS AND ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received	18,950,697	18,613,810
Deferred Revenue Expenditure	250,000	375,000
Advance to staff	1,238,750	789,250
Deposits	14,608,651	14,109,671
	<u>35,048,098</u>	<u>33,887,731</u>
<u>Schedule K</u>		
<u>CURRENT LIABILITIES</u>		
Creditors for trade and others	5,089,942	4,226,335
Advances from constituents	2,500,000	3,600,000
Securities Deposit/Margin	250,000	590,000
	<u>7,839,942</u>	<u>8,416,335</u>
<u>Schedule L</u>		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Preliminary Expenses	8,903	15,065
Less : Written off during the year	6,162	6,162
	<u>2,741</u>	<u>8,903</u>
<u>Schedule M</u>		
<u>INCOME FROM OPERATIONS</u>		
Income from Consultancy & Advisory Services	7,005,875	8,616,000
Income from Stock Market Operations	11,454,211	10,228,365
Commission and Conducting Fees	NIL	286,000
Profit from Securities and Commodity Trading Activities	979,534	844,665
Finance and Service Charges	494,373	570,023
	<u>19,933,993</u>	<u>20,545,053</u>
<u>Schedule N</u>		
<u>OTHER INCOME</u>		
Interest	58,787	113,377
Miscellaneous Income	57865	126833
Dividend	268400	149708
	<u>385,052</u>	<u>389,918</u>
<u>Schedule O</u>		
<u>ADMINISTRATIVE AND OPERATIVE EXPENSES</u>		
Rent, Rates & Taxes	486,200	198,000
Insurance Premium	105,642	88,510
Salaries and Retainership Fees	5,894,524	4,385,150

AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)

PARTICULARS	2006-2007	2005-2006
	Rs.	Rs.
Electricity Charges & Expenses	410,183	307,691
Printing & Stationery	256,437	261,490
Advertising & Business Promotion	692,901	317,550
Repairs & Maintainance	428,699	342,103
Travelling & Conveyance	620,519	633,689
Membership & Subscription	544,939	476,580
Auditors' Remuneration	34,264	29,209
Legal & Professional Fees	248,643	310,050
Commission, Discount and Rebate	32,042	28,600
Sundry Expenses	524,989	432,749
Transaction Charges	70,000	298,471
MCX Admission Fees Writtten Off.	125,000	125,000
	<u>11,630,945</u>	<u>9,199,383</u>
<u>Schedule P</u>		
<u>FINANCIAL EXPENSES</u>		
Interest and Delayed Payment Charges	1,022,510	1,190,045
Bank Charges and Commission	158,330	131,647
	<u>1,180,840</u>	<u>1,321,692</u>

As per our report of even date attached

AJCON GLOBAL SERVICES LIMITED (CONSOLIDATED)

Schedule Q

Notes to Consolidated Accounts for the year ended 31st March 2007

1. Basis of Presentation of Consolidated Financial Statements

- (i) The Financial Statements of the Subsidiary used in the consolidation is drawn upto same reporting date as that of parent Company, i.e. year ended 31st March, 2007.
- (ii) The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

2. Principles of Consolidation

- (i) The financial statements of the parent Company and it's subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting therefrom.
 - (ii) The financial statements of the parent Company and it's subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
 - (iii) The AJCON COMMODITY BROKERS LIMITED (Formerly known as Ajcon Finance Ltd.) was incorporated as 100% subsidiary of the AJCON GLOBAL SERVICES LIMITED. The entire Share Capital of the subsidiary was acquired at it's face value. The holding Company has disposed off 11.25% of the Share Capital of its subsidiary Company - Ajcon Commodity Brokers Limited during the F.Y 2004-2005. The balance shareholding is reflected as investment at cost in the separate financial statement of the holding Company AJCON GLOBAL SERVICES LIMITED.
3. The Company has disclosed only such Policies and Notes from the individual financial statements, which fairly presents needed disclosures. Lack of homogeneity and other similar considerations makes it desirable to exclude some of them, which in the opinion of the Management could be better viewed, when referred from the individual financial statements.
4. In terms of AS 21 financial statement present the consolidated accounts of AJCON GLOBAL SERVICES LIMITED with it's following subsidiary.

Subsidiary	Country of Incorporation	2006-2007 Proportion of Ownership Interest %	2005-2006 Proportion of Ownership Interest %
Ajcon Commodity Brokers Limited (Formerly known as Ajcon Finance Ltd)	India	88.75	88.75

5. Prior year figures have been reclassified/regrouped/recast wherever necessary to confirm with the current year's presentation.
6. Figures pertaining to the subsidiary Company have been reclassified/regrouped/recast wherever necessary to bring them in line with the parent Company's financial statements.

As per our report of even date attached

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

Ashok Kumar Ajmera
MANAGING DIRECTOR

S.B.Limaye
DIRECTOR

G.N. SHANBHAG
PROPRIETOR
M. No. 32057

Narayan Atal
DIRECTOR

Rajendra Bakiwala
DIRECTOR

Mumbai
30.06.2007

Ajay Ajmera
DIRECTOR

Ankit Ajmera
DIRECTOR

**AJCON GLOBAL SERVICES LIMITED
(CONSOLIDATED)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2007

		2006-2007		2005-2006	
		Rs.	Rs.	Rs.	Rs.
A.	Cash Flows from Operating Activities				
	Net Profit before Tax		5,737,777		8,854,853
	Adjustments for:				
	Depreciation	1,763,321		1,452,881	
	Preliminary exps w/off	6,162		6,162	
	Interest and finance charges (net)		1,769,483	1,321,692	2,780,735
	Operating profit (loss) before working capital changes		7,507,260		11,635,588
	Adjustments for:				
	Trade and other receivables	(383,431)		(10,899,781)	
	Inventories	(965,716)		(1,313,131)	
	Current Liabilities	(576,393)	(1,925,540)	2,279,808	(9,933,104)
	Cash generation from operations		5,581,720		1,702,484
	Interest and Finance charges paid (net)		NIL		(1,321,692)
	Tax paid		345,000		
	Net Cash Flow from Operating Activities		5,236,720		380,792
B.	Cash Flows from Investing Activities				
	Purchase of Fixed Assets	(3,851,328)		(2,367,774)	
	Net Cash from Investing activities		(3,851,328)		(2,367,774)
C.	Cash Flows from Financing Activities				
	Share capital	NIL		3,500,000	
	Secured Loans	(308,268)		(293,193)	
	Unsecured Loans	(2,375,000)	(2,683,268)	225,000	
	Net Cash from Financing activities				3,431,807
	Net increase in Cash and Cash equivalents		(1,297,876)		1,444,825
	Cash and Cash equivalents as at 01.04.2006		4,178,035		2,733,210
	Cash and Cash equivalents as at 31.03.2007		2,880,159		4,178,035
As per our report of even date attached					
FOR G.N. SHANBHAG & CO.		Ashok Kumar Ajmera		S.B. Limaye	
CHARTERED ACCOUNTANTS		MANAGING DIRECTOR		DIRECTOR	
G.N. SHANBHAG		Narayan Atal		Rajendra Bakiwala	
PROPRIETOR		DIRECTOR		DIRECTOR	
M. No. 32057					
Mumbai		Ajay Ajmera		Ankit Ajmera	
30.06.2007		DIRECTOR		DIRECTOR	

AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT

We have examined the attached Consolidated Cash Flow Statement of Ajcon Global Services Limited for the year ended 31.03.2007. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 30.06.2007 to the members of the Company.

For G.N. SHANBHAG & CO.
Chartered Accountants

G.N. Shanbhag
(Proprietor)
Membership No. 32057

Mumbai
30.06.2007

DIRECTORS' REPORT

To
The Members,

You Directors have great pleasure in presenting the Thirteenth Annual Report and the Audited Accounts of your Company for the year ended 31st March 2007.

Financial Results:

	Year ended 31.03.07 (Rs.)	Year ended 31.03.06 (Rs.)
Income from Operations and Other Income	11,34,296	7,83,278
Profit before Financial Overheads & Depreciation	3,32,398	1,41,859
Less: Financial overheads	12,787	6,472
Less: Depreciation	90,485	69,237
Profit before Tax	2,29,126	66,150
Less: Provision for Tax	37,877	8,044
Profit after Tax	1,91,249	58,106
Less: Deferred Tax Liability for the previous year	NIL	56,321
Add: Surplus/(Deficit) brought forward	(9,68,279)	(9,70,064)
Profit/(Loss) carried to Balance Sheet	7,77,030	(9,68,279)

Operations:

The operations of the Company for the year under review have resulted in the gross profit of Rs.3,32,398/- against Rs.1,41,859/- in the previous year. After providing for interest, depreciation and taxes, the Company has earned a net profit of Rs.1,91,249/- as against the profit of Rs. 58,106/- in the previous year.

Important Developments:

Your Company has commenced the business of Commodity broking in full scale. Due to the unique & risky character of commodity futures, the company is slow on the business front.

Future Outlook:

All the risk management systems and the required software's are all in place now and your directors are hopeful of expanding the business rapidly this year

Dividend:

In order to conserve resources for development and working capital, your directors do not recommend any dividend.

Fixed Deposits:

The Company has not accepted any fixed deposits from public within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

Insurance:

All the properties of the Company are adequately insured. The Company is also adequately insured for its activities as Commodity Brokers.

Management Discussion and Analysis Report:

Future Outlook

The future outlook of the Company continues to be very bright as the Commodity Markets in India are growing leaps and bounds. The Company expects to be a market leader in the next few years as it has plans to commence Commodity Broking activities from about 25 branches being opened by M/s Ajcon Global Services Limited, the holding Company during the current year. The Company remains well placed in terms of good share capital and a network as against most of its competitors and also has benefit of the use of the brand name of "Ajcon Global" for its services.

Internal Control System

The Company has adequate internal control systems commensurate with the nature and size of its business. Internal Audit is conducted at regular intervals, by independent firm of Chartered Accountants.

Human Resources

The Company has been following standard procedure for recruitment of best personnel for all the departments and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The relation between the management and staff remained very cordial during the year.

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

Directors' Responsibility Statement:

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors 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 as on 31st March, 2007 and of the profit of the Company for the year ended on that 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.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars required to be given under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable, as the Company is not engaged in manufacturing activities. The Company has not earned or spent any foreign exchange during the year.

Employee Information:

No information pursuant to Section 217 (2A) of the Companies Act, 1956 is attached, as there was no employee drawing remuneration in excess of limits prescribed.

Auditors and Auditors' Report and Certificate:

M/s. G.N. Shanbhag and Co., Chartered Accountants, Mumbai, Auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for reappointment. Their appointment is recommended to hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received certificate from the Auditors to the effect that their reappointment, if made, will be in accordance with sub-section (1B) of section 224 of the Companies Act, 1956. The Auditors' Report forms the part of this Annual Report.

Acknowledgements

Your Directors wish to place on record their thanks and gratitude to Bankers, MCX, FMC and clients for their support, co-operation, guidance and assistance. The Board is also grateful to the shareholders for their continued confidence.

The Board of Directors takes this opportunity to express their appreciation of the sincere efforts put in by the staff and executives at all the levels and hopes that they would continue their dedicated efforts in the future also.

For and on behalf of the Board

Mumbai
30.06.2007

(Ashok Kumar Ajmera)
Chairman

AUDITORS' REPORT

To
The Members,

We have audited the attached Balance Sheet of AJCON COMMODITY BROKERS LTD. as at 31st March 2007 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in Paragraph 2 above, 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 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company;
 - e) On the basis of written representations received from the Directors as on 31st March, 2007 and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007 from being appointed as a Director in terms of clause (g) of the sub section (1) of the Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance sheet, of the state of affairs of the Company as at 31st March 2007,
 - (ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For G.N. SHANBHAG & CO.
Chartered Accountants

Mumbai
30th June, 2007

G.N. Shanbhag
(Proprietor)
Membership No. 32057

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph (2) of our report of even date)

- 1) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, physical verification of a major portion of fixed assets as at 31st. March, 2007 was conducted by the Management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) During the year, the Company has not disposed off any Fixed Assets and therefore the going concern status of the Company is not affected.
2. In respect of inventories,
 - a. Company's inventory is comprising of only the shares and securities. The Management during the year has physically verified these stocks which were not in dematerialised form and the rest were verified through demat statements of depositaries. In our opinion the frequency of such verification was reasonable.
 - b. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book record.
3. In respect of loans, secured or unsecured, granted or taken by the Company to and from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

The Company has taken interest free loan of 52.30 Lacs (Rs.60.00 Lacs) from it's holding Company. There are no stipulations as regards repayment of the said loan amount and hence the question of overdue amount does not arise.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of equipments and other assets and with regards to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. To the best of our knowledge and belief and according to the information and explanations given to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The Company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed, maintenance of cost records under section 209(1) (d) of the Companies Act 1956.
9. According to the records the Company was not required to pay any provided fund amount. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, and cess were outstanding as at 31st March, 2007 for a period of more than six months from the date they become payable.
10. The Company has accumulated losses but the same are less than 50% of the net worth and the Company has not incurred any cash losses during the financial year covered by our audit and also not incurred cash loss in the immediately preceding financial year.
11. According to the information and explanation given to us by the Management, the Company does not have any loan from Banks and Financial Institutions.
12. Based on our examination of the records and 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.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is dealing and trading in shares, securities, debentures and other investments and has maintained proper records of the transactions and contracts and timely entries are made therein. All the shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Act.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by other from Bank or Financial Institutions.
16. According to the information and explanations given to us, the Company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment, and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures.
20. The Company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For G.N. SHANBHAG & CO.
Chartered Accountants

Mumbai
30th June, 2007

G.N. Shanbhag
(Proprietor)
Membership No. 32057

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

BALANCE SHEET AS ON 31ST MARCH 2007

	Schedule	As at 2006-2007 Rs.	As at 2005-2006 Rs.
LIABILITIES			
<u>Sources of Funds</u>			
Shareholders Funds			
Share Capital	A	20,000,000	20,000,000
<u>Borrowed Funds</u>			
Unsecured Loans	B	5,260,000	6,000,000
Deffered Tax Lieability		63,199	56,322
		25323199	26056322
<u>ASSETS</u>			
<u>Application of Funds</u>			
Fixed Assets	C		
Gross Block		615,823	455,823
Less: Depreciation		345,421	254,936
Net Block		270,402	200,887
Current Assets & Loans and Advances			
Inventories	D	11,294,901	11,460,635
Sundry Debtors	E	498,540	268,369
Cash & Bank	F	426,476	442,905
Loans & Advances	G	12,785,243	13,416,243
Less: Current Liabilities & Provisions		25005160	25588152
Current Liabilities	H	691,090	699,855
Provision for taxation		41,044	10,044
Net Current Assets		24,273,026	24,878,253
Miscellaneous Expenditure	I	2,741	8,903
(to the extent not written off or adjusted)			
Profit and Loss Account (Dr.)		777,030	968,279
		25,323,199	26,056,322
Notes forming the part of accounts	M		
As per our report of even date attached			
FOR G.N. SHANBHAG & CO.		(Ashok Ajmera)	
CHARTERED ACCOUNTANTS		DIRECTOR	
G.N. SHANBHAG		(Ankit Ajmera)	
PROPRIETOR		DIRECTOR	
M. No. 32057			
Mumbai		(Anuj Ajmera)	
30.06.2007		DIRECTOR	

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

PARTICULARS	Schedule	As at 2006-2007 Rs.	As at 2005-2006 Rs.
INCOME			
Income from Operations	J	1,122,049	778,255
Other Income		12,247	5,250
		<u>1,134,296</u>	<u>783,505</u>
EXPENDITURE			
Administrative and Operative Expenses	K	795,736	635,484
Financial Expenses	L	12,787	6,472
Depreciation		90,485	69,237
Preliminary Expenses Written off		6,162	6,162
		<u>905,170</u>	<u>717,355</u>
Profit Before Tax		229,126	66,150
Provision for Tax			
Current Tax		25,500	NIL
Deffered Tax		6,877	(2,425)
Fringe Benefit Tax		5,500	10,469
Profit After Tax		<u>191,249</u>	<u>58,106</u>
Less: Deferred Tax Liability for the previous year		NIL	56,321
Add: Balance brought forward		<u>(968,279)</u>	<u>(970,064)</u>
Balance carried forward to Balance sheet		<u>(777,030)</u>	<u>(968,279)</u>
Earning Per share-Basic & Diluted		0.10	0.001
Notes forming the part of accounts	M		

As per our report of even date attached

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

(Ashok Ajmera)
DIRECTOR

G.N. SHANBHAG
PROPRIETOR
M. No. 32057
Mumbai
30.06.2007

(Ankit Ajmera)
DIRECTOR

(Anuj Ajmera)
DIRECTOR

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

**Schedules 'A' to 'M' annexed to and forming part of Accounts
for the year ended 31st March 2007**

PARTICULARS	As at 2006-2007 Rs.	As at 2005-2006 Rs.
<u>Schedule A</u>		
<u>SHARE CAPITAL</u>		
Authorised		
20,00,000 (20,00,000) Equity Shares of Rs.10 each	20,00,000	20,00,000
	<u>20,00,000</u>	<u>20,00,000</u>
Issued, Subscribed & Paid up		
20,00,000 (20,00,000) Equity Shares of Rs.10 each		
fully paid.	20,00,000	20,00,000
	<u>20,00,000</u>	<u>20,00,000</u>
<u>Schedule B</u>		
<u>UNSECURED LOANS</u>		
From Holding Company	5,260,000	6,000,000
	<u>5,260,000</u>	<u>6,000,000</u>

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)
SCHEDULES 'A' TO 'M' ANNEXED TO AND FORMING PART OF ACCOUNTS

Schedule C

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1.4.2006 Rs.	Addition in 2006-2007 Rs.	Deduction in 2006-2007 Rs.	As at 31.3.2007 Rs.	As at 1.4.2006 Rs.	Deductions for the year Rs.	As at 31.3.2007 Rs.	As at 31.3.2007 Rs.	As at 31.03.2006 Rs.	
COMPUTERS	407,515	160,000	-	567,515	222,558	-	87,672	310,230	257,285	184,957
FURNITURE	19,300	-	-	19,300	12,121	-	1,222	13,342	5,958	7,179
OFFICE EQUIPMENTS	25,150	-	-	25,150	16,399	-	1,592	17,991	7,159	8,751
ELECTRICAL INSTALLATIONS	3,858	-	-	3,858	3,858	-	-	3,858	-	-
TOTAL	<u>455,823</u>	<u>160,000</u>	<u>-</u>	<u>615,823</u>	<u>254,936</u>	<u>-</u>	<u>90,485</u>	<u>345,421</u>	<u>270,402</u>	<u>200,887</u>
PREVIOUS YEAR	398,564	-	-	455,823	185,699	-	69,237	254,936	200,887	212,865

Schedule D

INVENTORIES (At Cost)

Stock of Shares and Securities	11,294,901	11,460,635
	<u>11,294,901</u>	<u>11,460,635</u>

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

PARTICULARS	As at 2006-2007 Rs.	As at 2005-2006 Rs.
<u>Schedule E</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured, Considered good)		
Others	498,540	268,369
	<u>498,540</u>	<u>268,369</u>
<u>Schedule F</u>		
<u>CASH & BANK BALANCE</u>		
Cash In Hand	56,705	46,973
Balance with Scheduled Banks in Current Account	69,771	195,932
Fixed Deposit (Pledged against Bank Guarantee)	300,000	200,000
	<u>426,476</u>	<u>442,905</u>
<u>Schedule G</u>		
<u>LOANS AND ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received	12,535,243	13,041,243
Deferred Revenue Expenditure	250,000	375,000
	<u>12,785,243</u>	<u>13,416,243</u>
<u>Schedule H</u>		
<u>CURRENT LIABILITIES</u>		
Creditors for trade and others	441,090	109,855
Security Deposit/Margin	250,000	590,000
Provision for taxation	41,044	10,044
	<u>732,134</u>	<u>709,899</u>
<u>Schedule I</u>		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Preliminary Expenses	8,903	15,065
Less : Written off during the year	6,162	6,162
	<u>2,741</u>	<u>8,903</u>
<u>Schedule J</u>		
<u>INCOME FROM OPERATIONS</u>		
Interest and Service Charges	494,373	570,023
Income from Lease	307,162	188,367
Dividends	320,514	19,865
	<u>1,122,049</u>	<u>778,255</u>

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

PARTICULARS	As at 2006-2007 Rs.	As at 2005-2006 Rs.
<u>Schedule K</u>		
<u>ADMINISTRATIVE AND OPERATIVE EXPENSES</u>		
Rent,Rates & Taxes	108,000	NIL
Salaries	318,484	335,150
Staff Welfare	10,859	9,258
Postage, Courier and Telegram	6,980	5,735
Insurance Premium	5,510	5,510
Printing & Stationery	7,048	6,056
Travelling & Conveyance	48,540	39,147
Repairs & Maintainance	11,350	11,396
Auditors' Remuneration	5,612	5,612
Legal & Professional Fees	10,830	8,650
Sundry Expenses	15,557	16,422
Telephone Expenses	46,966	41,548
Subscription and Membership Fees	75,000	26,000
MCX Admission Fees Written Off	125,000	125,000
	<u>795,736</u>	<u>635,484</u>
<u>Schedule L</u>		
<u>FINANCIAL EXPENSES</u>		
Bank Charges and Commission	12,787	6,472
	<u>12,787</u>	<u>6,472</u>

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

(Ashok Ajmera)
 DIRECTOR

G.N. SHANBHAG
PROPRIETOR
 M. No. 32057
 Mumbai
 30.06.2007

(Ankit Ajmera)
 DIRECTOR

(Anuj Ajmera)
 DIRECTOR

AJCON COMMODITY BROKERS LIMITED (Formerly known as Ajcon Finance Ltd.)

Schedule M

Notes to Accounts for the year ended 31st March 2007

1. Significant Accounting Policies

a) **Method of Accounting:**

The Company follows mercantile method of accounting and recognises income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

b) **Use of Estimates:**

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statement and the reported amount of revenue and expenses during the year. Difference between actual results and estimates are recognized in the year in which the results are known / materialised.

c) **Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss.

d) **Depreciation:**

Depreciation on assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such additions, or upto the date of sale/disposal, as the case may be.

e) **Inventories:**

Inventories of stocks and securities are stated at cost without considering increase or erosion in value thereof.

f) **Revenue Recognition:**

- Revenue is recognized where there is reasonable certainty of its ultimate realization.
- Dividend income has been accounted on receipt basis.
- Brokerage on Commodity markets operations is recognized on the day of the trade.
- Income other than above is accounted on accrual basis.

g) **Amortization of preliminary expenses:**

Preliminary expenses are amortized over a period of ten years against Profit and Loss account.

h) **Provision for taxation:**

- Current Tax

No Provision for current tax is provided in the view of carried forward depreciation and business loss.

- Deferred Tax

The Company has provided for deferred tax liability in accordance with Accounting Standard 22 – "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. In accordance with transition provision of AS-22, the Company has adjusted the opening deferred tax liability against opening revenue reserves.

Deferred tax resulting from timing difference between book profit and tax profit is accounted for at the current tax rate/substantively enacted tax rate, as applicable, to the extent that the timing differences are expected to crystallize.

The break-up of Deferred Tax Liability as on 31st March 2007 is as follows:

	31.03.2007
Opening Liability (provided for the first time)	Rs. 0.54 Lacs
DTL/(DTA) on account of	
<input type="checkbox"/> Depreciation	Rs. 0.07 Lacs
<input type="checkbox"/> Others	Nil
Closing Balance	Rs. 0.61 Lacs

In accordance with the guidelines of The Institute of Chartered Accountants of India on measurement and recognition of the Deferred Tax Assets in respect of unabsorbed depreciation and brought forward business loss, the Company has not provided for DTA in the absence of virtually certainty of future profit, against which the deferred tax assets can be set off.

i) **Segment Reporting**

The Company operates in a single business segment i.e. financial services.

j) **Earning per Share:**

The basic earning per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of Equity Shares outstanding during the reporting year.

2. Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

Contingent Liability on account of counter guarantee given to the bank for the bank guarantee of Rs. 7.50 Lacs (Less Margin deposit of Rs. 3.00 Lacs) issued by the bankers.

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

3. The company has amortized the admission fees of Multi Commodity Exchange of India of Rs. 5 Lacs over the period of 4 years, of which Rs. 1.25 Lacs has been written off to Profit and Loss Account during the current period
4. In the opinion of the Board of Directors, the current assets, loans and advances are of the value as stated, if realized in the ordinary course of the business, except to the extent of the erosion in the value of stock which is undeterminable, due to non-availability of market quotations in most of the cases.
5. Unsecured Loans include Rs. 52,30,000/- (Rs. 60,00,000/-) due to Holding Company.
6. Related Party Disclosures:

Nature of Relationship	Related Party
A. Related party where control exists:	
Subsidiary Company	M/s Ajcon Commodity Brokers Limited (Formerly known as Ajcon Finance Ltd)
B. Related parties where significant influence exists:	
	M/s Ajcon IT.Com Ltd
	Associate Enterprise
	M/s Ajcon Communication Pvt. Ltd
	M/s Ajcon Consultants Pvt. Ltd
	M/s Ajcon Exports Pvt. Ltd
	M/s Jagati Estate Developers Pvt. Ltd
	M/s Surge Impex Pvt. Ltd
	M/s A. Ajmera & Associates.
C. Key Management Personnel:	
Chairman and Managing Director	Mr. Ashok Kumar Ajmera
Director	Mr. Ankit Ajmera
Director	Mr. Anuj Ajmera

D. Significant transactions with related parties				(Rs. In Lacs)
Nature of Transaction	Subsidiary Company	Associate	Key Management Personnel	Other Related Parties
Loans & Advance given (Outstanding Bal)	52.30			

There are some transactions in current account with related parties which were not materially significant and hence not given.

7. Information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956. (to the extent applicable and as certified by the Management)
 - a) Quantitative Details: *Shares and Securities*
The Company trades in Equity shares and commodity futures which involves purchase and sale on continuous basis and such trades are settled with or without delivery. Considering the volume of the transactions and variety of scrip's, traded at different prices, it is not practical and meaningful to compile the quantitative details of the shares and securities. Hence, the quantitative details are not given.
 - b) CIF value of imports, Expenditure & Earning in foreign exchange. NIL
 - c) Break up of Imported & Indigenous materials and components concerned. NIL
 - d) Previous years figures are mentioned in bracket.
8. Previous year's figures are regrouped, reclassified or rearranged/recast, wherever necessary in order to bring them in conformity with the current year's figures.

As per our report of even date attached

FOR G.N. SHANBHAG & CO.

CHARTERED ACCOUNTANTS

G.N. SHANBHAG

PROPRIETOR

M. No. 32057

Ashok Kumar Ajmera

MANAGING DIRECTOR

Ankit Ajmera

DIRECTOR

Anuj Ajmera

DIRECTOR

Mumbai

30.06.2007

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

(Information pursuant to Part IV of Shedule VI)

Balance Sheet abstract and a company profile

A. Registration Details

Registration No. : 80780
Balance Sheet Date : 31.03.2007

B. Capital raised during the year (Amount in Rs.Thousand)

Public Issue : Nil Right Issue : Nil
Bonus Issue : Nil Private Placement : Nil

C. Position of Mobilisation and Deployment of funds

Total Liabilities : 25,323 Total Assets : 25,323

Sources of funds

Paid up capital : 20,000
Reserves and Surplus : Nil
Secured Loans : Nil
Unsecured Loans : 5,260
Deferred Tax liability : 63

Application of funds

Net Fixed Assets : 270
Investments : -
Net Current Assets : 24,273
Misc. Expenditure : 2
P & L A/c (Dr.) : 778

D. Performance of Company

Turnover : 1,134 Total Expenditure : 905
Profit before tax : 229 Profit after tax : 191
Earning per share (Rs.) : 0.11 Dividend : Nil

**E. Generic names of three principal products/
services of the company**

Product Description : N.A. Item code No. : N.A.
(ITC Code)

As per our report of even date
attached

FOR G.N. SHANBHAG & CO.

CHARTERED ACCOUNTANTS

(Ashok Ajmera)

DIRECTOR

(Ankit Ajmera)

DIRECTOR

G.N. SHANBHAG

PROPRIETOR

M. No. 32057

Mumbai

30.06.2007

(Anuj Ajmera)

DIRECTOR

AJCON COMMODITY BROKERS LIMITED
(Formerly known as Ajcon Finance Ltd.)

	2006-2007		2005-2006	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flows from Operating Activities				
Net Profit before Tax and extra ordinary items		229,126		66,150
Adjustments for:				
Depreciation	90,485		69,237	
Preliminary exps w/off	6,162	96,647	6,162	75,399
		325,773		141,549
Adjustments for:				
Trade and other receivables	400,829		(2,284,881)	
Inventories	165,734			
Current Liabilities	(8,765)	557,798	611,368	(1,673,513)
Cash generation from operations		883,571		(1,531,964)
Tax paid		-		-
Net Cash Flow from Operating Activities		883,571		(1,531,964)
B. Cash Flows from Investing Activities				
Purchase of Fixed Assets	(160,000)		(57,259)	
Sale of Fixed Assets			-	
Sale of Investments	-			
Net Cash from Investing activities		(160,000)		(57,259)
C. Cash Flows from Financing Activities	-		-	
Unsecured Loans	(740,000)	(740,000)	2,000,000	
Net Cash from Financing activities		-		2,000,000
Net increase in Cash and Cash equivalents		(16,429)		410,777
Cash and Cash equivalents as at 01.04.2006		442,905		32,128
Cash and Cash equivalents as at 31.03.2007		426,476		442,905

As per our report of even date attached

FOR G.N. SHANBHAG & CO.
CHARTERED ACCOUNTANTS

(Ashok Ajmera)
DIRECTOR

G.N. SHANBHAG
PROPRIETOR
M. No. 32057
Mumbai
30.06.2007

(Ankit Ajmera)
DIRECTOR

(Anuj Ajmera)
DIRECTOR

AJCON GLOBAL SERVICES LTD.

Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic Mahim (West), Mumbai 400 016

PROXY FORM

Reg. Folio No. _____
I/We _____ of _____ in the district of _____
being a member(s) of the above named Company
hereby appoint _____ of _____ in the district of _____
as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Friday, 31st August 2007 and if any adjournment thereof.

Signed this _____ Day of _____ 2007

Affix
Revenue
Stamp

Signature

Note : This form in order to be effective should be duly stamped, competed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

AJCON GLOBAL SERVICES LTD.

Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic Mahim (West), Mumbai 400 016

ATTENDANCE SLIP

Reg. Folio No. _____

I certify that I am a registered Share holder / Proxy for the registered Share holder of the Company, I hereby record my presence at the Nineteenth Annual General Meeting of the Company held at Off. : 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic Mahim (West), Mumbai 400 016, on Friday, 31st August 2007 at 10.00 am.

I Member's/Proxy's name in Block Letters

(Member's/Proxy's Signature)

BOOK POST

AJCON'S GLOBAL SERVICES

❖
Capital Market Services (Member N.S.E.)
❖
Commodity Broking (MCX)
❖
Depository Services (CDSL)
Corporate Advisory Services
❖
Corporate Finance Services
❖
Corporate Debt Restructuring
❖
Private Equity Placement
❖
Mergers and Amalgamations
❖
Acquisitions and Disinvestments
❖
ECB Financing
❖
Strategic Partnerships / Alliance
❖
Joint Ventures and B.P.O.
❖
Business Process Re-engineering
❖
Corporate Image Building
❖
Training and HRD Services

A financial power house with a motto
“**Either find a way OR make a new one.**”
(Mr. Ashok Kumar Ajmera - Chairman)



The banner features the AJMERA logo on the left, which consists of a stylized triangle made of dots above the word 'AJMERA'. On the right, the 'Ajcon Global' logo is displayed in a large, bold, serif font, with 'Your Friendly Advisor' in a smaller font below it. A white arrow points upwards from the 'Ajcon' part of the logo. Below these logos, a white horizontal bar contains the text 'STOCK BROKING • COMMODITY BROKING • ADVISORY SERVICES • D.P. • IPO • MUTUAL FUND' in black capital letters.

Ajcon Global Services Limited

Regd. Office : 101, Samarth, Off. Hinduja Hosp., 151 Lt. P. N. Kotnis Road, Mahim (W), Mumbai -400106, India.
Tel. : 91 22 2446 0335 / 36 / 40, Fax : 91 22 2446 0339