

MEMBER : NSE ⇨ BSE ⇨ MCX-SX ⇨ OTCEI ⇨ CDSL ⇨ MCX\*



# 25<sup>th</sup> ANNUAL REPORT

## 2011 - 2012

With The Right Company There is Only One Direction



To Go

- ◆ MERCHANT BANKING ◆ STOCK BROKING - EQUITY & F/O ◆ COMMODITY BROKING\*
- ◆ CURRENCY FUTURES ◆ CORPORATE ADVISORY SERVICES ◆ DEPOSITORY SERVICES
- ◆ IPO ◆ MF ◆ INSURANCE



ISO 9001:2008 Certified Company

\*Through Subsidiary Company

# Ajcon Global Services Ltd.

# CHAIRMAN'S LETTER



**ASHOK AJMERA**  
*CHAIRMAN*

*Dear Shareholders,*

It is my privilege to present you the Silver Jubilee Annual Report of Aicon Global Services Ltd. We have come a long way during these 25 years overcoming several hurdles and sailing through the ups & downs of the vagaries of financial markets. Financial Year 2012 was a challenging year for the economy on account of global factors like Euro Debt crisis and high oil prices. Domestically, high inflation and high interest rates posed a challenge to growth. The stress on the economy was evident by Bank's Net Non Performing Assets (NPA) numbers. At the aggregate level, NPAs of banks rose by 53.5 per cent during the quarter ended March 2012, from about ₹ 39,200 crore at the end of March 2011 to slightly over ₹ 60,100 crore at the end of March 2012.

Domestically, GDP numbers were disappointing. For FY12, GDP growth dropped to 6.5 per cent versus a robust 8.4 percent in FY11. Q4 FY12 GDP was expected at around 6.1 percent on a quarter-on-quarter (QoQ) basis, and on a year-on-year (YoY) basis, at 7.8 percent. However, on actual basis, the numbers were bad. Reported GDP growth in Q4FY12 was 5.3 percent, as against 7.8 percent in Q4FY11. This is first time GDP has fallen to 5.3 percent level since 2003, hitting a nine year low. According to the figures released by the government, the FY12 revenue gap stood at ₹ 3.847 lakh crore versus ₹ 3.949 lakh crore in the previous year. The FY12 fiscal deficit was at 5.8 per cent of the GDP as against the budget aim of 5.9 per cent.

While inflation has moderated to some extent, risks to inflation cannot be ruled out and continues to be high. Large government borrowings may crowd out credit private sector. Wider Current account deficit, higher international crude prices along with fiscal slippages may affect growth. We believe concerns over Greece are taking a toll on the global sentiments. A situation of mild recession in the Euro zone can be sensed about what is happening in the debt affected economies. While things are improving in US which are evident from the recent employment data, China has emerged as a new concern.

However, your Company emerged as a true winner fighting against all odds. The Company remained insulated from global events and domestic factors owing to diversified revenue stream. The brokerage business of the company did witness a slowdown but this was offset by a higher contribution from the consultancy division. In addition, the company acquired the Category I - Merchant Banking license from Securities Exchange Board of India (SEBI), which the company had in 1997, after which it had not renewed its license. With this fresh license acquired, the company has signed a few mandates and good activities would be witnessed under this division.

The topline of the Company increased to ₹ 859.72 lacs and the Net Profit after Tax stood at ₹ 101.09 lacs, which were better than previous year. Your Company has made a mark both in broking and advisory business. "Aicon" has become a brand to reckon with in the Financial Markets.

At the end, I would like to take this opportunity to thank all of you for your support. As our business evolves, sustainable & profitable growth will remain a fundamental target and we will pursue it aggressively while remaining true to our values.

**Thanks,**  
**Ashok Ajmera**

# **AJCON GLOBAL SERVICES LIMITED**

## **CORPORATE INFORMATION**

An ISO 9001:2008 Registered Company

### **BOARD OF DIRECTORS**

- ❖ CA Ashok Kumar Ajmera-Chairman & Managing Director
- ❖ CA Samir Biswas-Independent Director
- ❖ CA Narayan Atal-Independent Director
- ❖ CA Rajendra Bakiwala-Independent Director
- ❖ Ankit Ajmera-Executive Director
- ❖ Anuj Ajmera-Executive director

### **AUDITORS**

- ❖ Bhattar & Co.  
Chartered Accountants  
Mumbai

### **COMPLIANCE & PRINCIPAL OFFICERS**

Ankit Ajmera-Executive Director

### **Company Secretary**

CS. S. M. Jain

### **Asst. Company Secretary**

CS. Shailendra Pathak

### **Chief Financial Officer (CFO)**

CA Ashok Kumar Ajmera-Managing Director

### **BANKERS**

- ❖ Bank of India
- ❖ Union Bank of India
- ❖ Corporation bank
- ❖ HDFC Bank
- ❖ ICICI Bank
- ❖ Axis Bank
- ❖ IDBI Bank

### **Demat ISIN No.**

INE759C01019

### **Investor Grievance Email**

[investorgrievance@ajcon.net](mailto:investorgrievance@ajcon.net)

### **Web sites**

[www.ajcononline.com](http://www.ajcononline.com)

[www.pyarapaisa.com](http://www.pyarapaisa.com)

### **REGISTRAR & TRANSFER AGENT**

Bigshare Services Pvt. Ltd  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka, Andheri (E),  
Mumbai-400072.  
Tel:022-28470652/ 40430200  
Fax: 91-22-28475207  
Email: info@bigshareonline.com

### **REGISTERED & CORPORATE OFFICE**

101, Samarth, Lt. P.N. Kotnis Road,  
Off. Hinduja Hospital, Mahim (West)  
Mumbai-400016.  
Tel: 022-40280400/450  
Fax: 022-24460339  
Email:ajcon@ajcon.net

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

**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **Ajcon Global Services Limited** will be held at 101, Samarth, Lt. P.N. Kotnis Road, Off. Hinduja Hospital, Mahim (West), Mumbai-400016 on **Tuesday 14<sup>th</sup> August 2012 at 11 a.m.** to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 and the statement of 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. Narayan Atal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by Board of Directors of the Company.

**Mumbai**  
**30.05.2012**

Regd Off. : 101, Samarth, Lt. P.N. Kotnis Road  
Off Hinduja Hospital, Mahim (W), Mumbai 400 016.

**By Order of the Board**

**(Ashok 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 its 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. Corporate Members intending to send their authorised representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the Company on or before 12<sup>th</sup> August, 2012.
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 **10.08.2012 to 14.08.2012** (both days inclusive).
6. Members are requested to send all communications concerning shares, change of address etc. to the Company's Registrar, Bigshare Services Pvt. Ltd. quoting their folio and reference no. Members are also requested to send their email address to the company's Registrar.
7. As stipulated under Clause 49 of the Listing Agreement, a profile and brief resume of the 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.
8. Shareholders who are still holding physical share certificate(s) are advised to dematerialized their shareholding to avail the benefits of dematerialization.
9. **MCA GREEN INITIATIVE**

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send e-mail at [cs@ajcon.net](mailto:cs@ajcon.net) to update their e-mail address and register the same with Bigshare Services Private Limited.

## DIRECTORS' REPORT

To

**The Members,**

Your Directors have great pleasure in presenting the Twenty Fifth Annual Report and the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2012.

### FINANCIAL RESULTS

	Year Ended 31.03.2012 (₹ in lacs)	Year Ended 31.03.2011 (₹ in lacs)
Income from Operations and Other Income	859.72	772.27
Profit before Interest & Dep.	227.97	226.92
Less: Interest & Bank charges	66.43	71.44
Less: Depreciation	35.70	39.70
Profit before Tax	125.84	115.78
Less: Provision for Taxation	37.00	30.00
Profit after Tax	88.84	85.78
Less: Deferred Tax (Liability)/ Assets	12.25	(9.41)
Net Profit	101.09	76.37
Add: Surplus brought forward	237.69	161.32
<b>Balance carried to Balance Sheet</b>	<b>338.78</b>	<b>237.69</b>

### OPERATIONS

The operations of the Company for the year under review have resulted in the gross profit of ₹ 227.97 lacs against ₹ 226.92 lacs in the previous year. After providing for interest, depreciation and taxes, the Company has made a net profit of ₹ 101.09 lacs as against ₹ 76.37 lacs in the previous year. The gross revenue stood at ₹ 859.72 lacs as against ₹ 772.27 lacs during the previous year. The above figure demonstrated an increase of 11.32% in the top line and 32.37% in the bottom line.

The year 2011-12, remained a problematic year both from domestic and global point of view. While the Europe financial crisis continued, the domestic economy also suffered a lot resulting into high inflation and uncontrollable fiscal deficit. However, due to prudent management policies changing the product mix focusing more on fee based services, your Company's performance remained positive.

### FUTURE OUTLOOK

Globally, European Countries continue to reel under tremendous stress. US too is still not out of woods with unemployment rates continue to be high. Concerns on slowdown in China are also emanating fast. China's GDP growth hit its slowest level in three years in the first quarter of 2012 at 8.1 per cent against 8.9 per cent for the previous quarter. Chinese Exports rose 4.9 per cent in April from a year earlier, missing economists' expectations for an 8.5 per cent increase and much weaker than the 8.9 per cent export growth in March 2012.

Domestically, our currency has lost a quarter of its value since July 2011 to touch levels of 55 and the CAD-GDP ratio is at 4%-close to the levels seen in countries affected by the East Asian crisis and higher than the 3% level of crisis hit India of 1991. However, there are important differences - import cover, external debt to GDP, and debt service ratio are at more comfortable levels now.

In addition, domestic inflation levels too are at uncomfortable levels. The recent hike in petrol prices would augur well for the much starved Oil Marketing Companies, however, this would bloat the fuel inflation numbers which would add pressure and the vicious circle of elongated interest rates and growth slowdown may continue.

We believe that Indian economy is facing headwinds like higher crude oil prices, elevated inflation and interest rate levels leading to liquidity crunch which may lead to growth slowdown of the corporates.

We at Ajcon, However kept our focus on our own micro activities and kept looking for opportunities even in these adverse times. While the broking business remained under pressure, our advisory and consultancy services business has given good results. During the year we successfully executed some prestigious transactions. Since, we have this year secured Merchant Banking Registration, we expect good growth in the investment banking activities of the Company.

### SHARE CAPITAL

There was no change in the paid up share capital of the Company during the year. However, Authorised share capital of the Company was increased from ₹ 7.00 Crore to ₹ 10.00 Crore vide Ordinary Resolution passed at Annual General Meeting held on 12<sup>th</sup> August, 2011.

### SUBSIDIARY COMPANIES

- **Ajcon Commodity Brokers Ltd.**

The Company's commodity broking business remained under pressure. During the year, the Company continued adding clients doing commodity trading at trading facilities at Branches of its holding Company Ajcon Global Services Ltd. The Company's NBFC business has shown major signs of improvement. To take care of enhanced business and investment needs, the Company's Authorised Capital was increased from ₹ 200.00 lacs to ₹ 250.00 lacs and the Company allotted 175,000 Equity Shares of ₹ 10/- each at a premium of ₹ 190/- each.

- **Kanchanmanik Secutrities Pvt. Ltd.**

A wholly owned subsidiary namely Kanchanmanik Securities Pvt. Ltd. was incorporated during the financial year 2011-12, with the Authorized Capital of ₹ 25 lacs and Paid up Capital of ₹ 10 lacs. Consequently, the total numbers of subsidiaries as on 31<sup>st</sup> March, 2012 are two. Kanchanmanik Securities Pvt. Ltd. did not carry on any activity during financial year 2011-12.

As per the circular No. 5/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by Government of India, Ministry of Corporate Affairs, the required financial information in the consolidated balance sheet is given in respect of Company's subsidiaries i.e. Ajcon Commodity Brokers Limited & Kanchanmanik Securities Pvt. Ltd.

The annual accounts of the aforesaid subsidiaries and the related detailed information shall be made available to shareholders of the Company, seeking such information at any point of time. The annual accounts of the subsidiary Companies shall also kept open for inspection by any shareholder at the Registered Office at 101, Samarth Lt. P.N. Kotnis Road, off. Hinduja Hospital, Mahim (West), Mumbai-400016 and shall also be posted on Company's website.

### INVESTMENT IN GROUP COMPANIES

There was no change in the investment made in the group Companies, other than the subsidiary Company.

### DIVIDEND

In order to conserve the resources for expansion of business and Working Capital needs, 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. Narayan Atal, Director, retires by rotation and being eligible offer him self for re-appointment at the ensuing Annual General Meeting.

Brief resume of Director proposed to be reappointed, nature of his expertise in specific functional areas and name of companies in which he 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

The Company is committed to maintain highest standards of 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 and shareholders information form a part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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, 2012 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 & currency brokers and depository participant.

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

Particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956 read with 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 foreign exchange during the financial year 2011-12. The expenditure in foreign currency (Travelling) was ₹ 0.17 lacs.

**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**

M/S Bhatler and Co., Chartered Accountants, Mumbai, Auditors of the Company, ICAI Firm Registration no. 131092W, 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 Audit Committee and the Board of directors therefore recommend M/S Bhatler & Co., Chartered Accountants as Statutory Auditors of the Company for the year 2012-13 for the approval of shareholders.

**AUDITORS' REPORT & CERTIFICATION**

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 financial statements for the year ended 31st March, 2012 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, BSE, MCX-SX, CDSL 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 also expresses its deep sense of gratitude to Bank of India for its continued support for the Online Share Trading by its customers under the tie up with the Company.

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.

Mumbai  
30.05.2012

For and on behalf of the Board

(Ashok Ajmera)  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

**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, 2012 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, with the stock exchange.

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

During the year 4 Board Meetings were held on following dates:

SR.NO.	DATE
1 <sup>st</sup>	30.05.2011
2 <sup>nd</sup>	12.08.2011
3 <sup>rd</sup>	11.11.2011
4 <sup>th</sup>	04.02.2012

**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 Ajmera	4	1	1	-	-
Exe. Director Exe. Director	Mr. Ankit Ajmera	4	1	2	-	-
	Mr. Anuj Ajmera	4	1	2	-	-
Non Executive- Independent Directors	Mr. Narayan Atal	4	1	4	2	1
	Mr. Rajendra Bakiwala	4	1	1	1	-
	Mr. Samir Biswas	4	1	1	1	-

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

- None of the Non-executive & Independent Directors hold any shares in the Company except Mr. Narayan Atal - Non Executive & Independent Director who holds 2,000 equity shares in the Company.

**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:**

The 3 Members of the Audit Committee comprises of 2 Non-Executive and Independent Directors (NED) both of which are Chartered Accountants and Mr. Ankit Ajmera, Executive Director an MBA in finance. 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. Narayan Atal	4
Mr. Rajendra Bakiwala	4
Mr. Ankit Ajmera	4

All the committee members attended the last Annual General Meeting.

#### 1.4 Remuneration Committee:

The Remuneration Committee comprises of three independent directors namely Mr. Rajendra Bakiwala, Mr. Narayan Atal and Mr. Samir Biswas. Only one meeting of the Committee was held which were attended by all the Committee Members.

The details of the Remunerations paid to the Directors for the financial year 2011-2012 is given below:

DIRECTORS	REMUNERATION (INCLUDING PERQUISITES) (₹)	COMMISSION (₹)	COMMITTEE MEETING FEES (₹)	BOARD MEETING FEES (₹)	TOTAL (₹)
Mr. Ashok Ajmera	1,200,000	-	-	-	1,200,000
Mr. Ankit Ajmera	880,200	-	-	-	880,200
Mr. Anuj Ajmera	880,200	-	-	-	880,200
Mr. Narayan Atal	-	-	2,500	4,000	6,500
Mr. Rajendra Bakiwala	-	-	2,500	4,000	6,500
Mr. Samir Biswas	-	-	500	4,000	4,500

Mr. Ashok Ajmera is the chairman and Managing Director of the Company. His appointment is contractual and is for a period of 5(Five) years. Mr. Ashok Ajmera's Contract was renewed for a further period of 5 years upto 31/03/2017 at the 24<sup>th</sup> Annual General Meeting of the Company held on 12<sup>th</sup> August, 2011. Mr. Ankit Ajmera was appointed as the Executive Director for a period of 5 years ending on 30/06/2016 in the Annual General Meeting held on 12<sup>th</sup> August, 2011. Mr. Anuj Ajmera was appointed by the Board as an Executive Director and his remuneration is commenced from 01/04/2008 for a period of 5 years. His appointment was approved by the members in the 21<sup>st</sup> Annual General Meeting held on 12/08/2008.

#### 1.5 Shareholders' / Investors' Grievance Committee:

The shareholders' and Investors' Grievances committee of the Company reviews matters related to grievances of shareholders and investors. The committee primarily focuses on review of investor complaints and its redressal, queries received from investors i.e. Transfer of shares, Issue of Share Certificates, Non Receipt of Annual Reports etc. and also reviews the reports presented by the Share Transfer Agents of the Company.

- 3 member Shareholders' / Investors' Grievance Committee is comprised of Mr. Rajendra Bakiwala and Mr. Narayan Atal both NED and Mr. Ankit Ajmera, Executive Director and Compliance Officer of the Company.
- During the year the Company did not receive any investor complaint.
- There were 29,471 shares of which transfer was pending at the close of the financial year since lying with clearing members.

#### 1.6 Risk Management: The Company has a risk management framework in place.

Risk Management Committee comprises of 3 Directors of whom 2 Directors are independent. The composition is as under:

Mr. Ashok Ajmera	- Managing Director
Mr. Narayan Atal	- Independent Director
Mr. Rajendra Bakiwala	- Independent Director

The Committee reviews the risks confronted by the Company with respect to its business area / operations as well as financial and validates the adequacy of insurance and other risk mitigation measures proposed by the Company's business. During the year 3 meetings of Risk Management Committee were held which were attended by all the three members.

### 1.7 CEO/ CFO and Compliance Officer

Name and designation of CEO& CFO: Mr. Ashok Ajmera. Managing Director is the Chief Executive Officer (CEO) of the Company.

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

### 1.8 General Body Meetings:

#### a. Date, Time and Location of the last three Annual General Meetings.

YEAR	LOCATION	DATE	TIME
2008-09	IMC Bldg, Churchgate, Mumbai-400020.	22.09.2009	4.00 p.m.
2009-10	101, Samarth, Lt. P.N. Kotnis Road, Off. Hinduja Hospital, Mahim (W), Mumbai- 400016	12.08.2010	11.00 a.m.
2010-11	101, Samarth, Lt. P.N. Kotnis Road, Off. Hinduja Hospital, Mahim (W), Mumbai- 400016	12.08.2011	11.00 a.m.

#### b. Special Resolution passed in previous three Annual General Meeting

Date of Annual General Meeting	Particulars of Special Resolution
12 <sup>th</sup> August, 2011	No Special Resolution passed
12 <sup>th</sup> August, 2010	No Special Resolution passed
22 <sup>nd</sup> September, 2009	No Special Resolution passed

#### c. Resolution passed by postal ballot during 2011-2012

No resolution was passed by postal ballot during the year 2011-2012. At present, the Company does not have any resolution to be decided by members by postal ballot.

### 1.9 Disclosures:

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to Note no. 24 of notes on Financial Statement for the details of related party transactions.
- During the previous three years while no strictures were passed, financial penalties aggregating to ₹ 102,381/- was levied by some stock exchanges and CDSL for delayed/non compliance of certain provisions/regulations relating to Capital Market activities observed mainly during the regular inspections.
- 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.
- No personnel have been denied access to the Chairman or members of the audit Committee. The Mechanism of Whistle Blower Policy is not established, considering the size of the Company and direct supervision by the top level management on day to day basis.
- The Company has duly complied with all the mandatory requirements as per Clause 49 of the Listing Agreement.
- Compliance with Non-mandatory requirements is furnished separately under the heading "Non-mandatory Requirements".

### 1.10 Means Of Communication:

- The quarterly results and annual audited results are published in Business Standard & Apla Mahanagar dailies published in English and Marathi, (the regional language) respectively.
- These results are also displayed on the Company's Website viz. [www.ajcononline.com](http://www.ajcononline.com)
- These results are also displayed on BSE' s website [www.bseindia.com](http://www.bseindia.com)
- The Management Discussion and Analysis report forms part of this Annual Report.

### 1.11 General Shareholders Information:

#### (a) ANNUAL GENERAL MEETING

Day and Date	Tuesday, 14 <sup>th</sup> August, 2012
Time	11 a.m.
Venue	101, Samarth Lt. P. N. Kotnis Road, Off. Hinduja Hospital, Mahim (West), Mumbai-400016

**(b) PROFILE OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT**

Name of Director	Mr. Narayan Atal
Date of Birth	12.01.1956
Nationality	Indian
Date of Appointment on Board	18.01.2005
Qualification	F.C.A. ,I.C.W.A.,LLB(Gen)
Brief Resume and expertise in specific functional area	Possesses vast knowledge and experience in the area of Capital Market, Project Finance, Legal & Accounting Matter.
Directorship held in other public Company	Ajcon Commodity Brokers Ltd. Elpro International Ltd Shree Madhu Industrial Estate Ltd. Elpro Estates Ltd.
Membership/chairmanship of Committees of other public Companies	Member of Audit Committee & Shareholders/Investor Grievance Committee in Elpro International Ltd.
Number of shares held in the Company	2000 Equity Shares

**(c) FINANCIAL CALENDER** (Tentative and subject to change)

First quarter results ending 30.06.2012	: 14 <sup>th</sup> August, 2012
Second quarter results ending 30.09.2012	: 14 <sup>th</sup> November, 2012
Third quarter results ending 31.12.2012	: 14 <sup>th</sup> February, 2013
Last quarter/Unaudited annual results ending 31.03.2013	: 30 <sup>th</sup> May, 2013
Annual General Meeting for the Year ended 31.03.2013	: 30 <sup>th</sup> September, 2013
Venue of AGM	: Mumbai

**(d) BOOK CLOSURE** : Friday, 10<sup>th</sup> August, 2012 to Tuesday, 14<sup>th</sup> August, 2012  
(Both days inclusive)

**(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 2012-13.

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

**(g) Corporate Identification Number:** L74140MH1986PLC041941

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

**(i) 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.

**(j) 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 40280400-450 Fax : 022 2446 0339 Email : investor grievance@ajcon.net

**(k) STOCK MARKET PRICE DATA**

High / Low closing price of shares of the Company during each month in last financial year on BSE:

MONTH/ YEAR	HIGH (₹)	LOW (₹)	No. of Shares Traded	No. of Trades	MONTH/YEAR	HIGH (₹)	LOW (₹)	No. of Shares Traded	No. of Trades
April 2011	23.45	15.10	368,233	866	October 2011	17.25	11.00	290,538	858
May 2011	19.00	12.05	436,883	970	November 2011	18.73	12.00	296,357	988
June 2011	20.70	14.05	385,331	824	December 2011	16.74	10.30	304,764	1,029
July 2011	18.00	13.30	401,136	1,054	January 2012	14.00	10.25	295,141	826
August 2011	14.60	8.82	407,485	1,243	February 2012	14.00	11.22	354,975	927
September 2011	16.89	9.20	376,349	2,088	March 2012	17.20	12.16	646,859	1,496

**(l) 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.

**(m) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012**

SR. NO.	RANGE (IN ₹)	NO. OF HOLDERS	% TO TOTAL SHAREHOLDERS	VALUE IN (₹)	% TO TOTAL EQUITY
1	1 - 5000	3,599	88.06	4,791,430	7.83
2	5001- 10000	254	6.21	2,255,970	3.69
3	10001- 20000	98	2.40	1,554,320	2.54
4	20001- 30000	37	0.91	962,760	1.57
5	30001- 40000	12	0.29	418,590	0.69
6	40001- 50000	15	0.37	716,140	1.17
7	50001- 100000	31	0.76	2,313,080	3.78
8	100001 and above	41	1.00	48,149,710	78.73
<b>TOTAL</b>		<b>4,087</b>	<b>100.00</b>	<b>61,162,000</b>	<b>100.00</b>

**(n) SHAREHOLDING PATTERN AS ON 31.03.2012**

	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING %
<b>A.</b>	<b><u>PROMOTERS HOLDING</u></b>		
1.	Promoters		
a.	Indian promoters *	<b>3,553,100</b>	<b>58.09</b>
b.	Foreign promoters	0	0.00
2.	Persons acting in concert	0	0.00
	<b>Total</b>	<b>3,553,100</b>	<b>58.09</b>
<b>B.</b>	<b><u>NON PROMOTERS HOLDING</u></b>		
1.	Institutional investors		
a.	Mutual funds	52,100	0.85
b.	Banks, financial institutions Insurance companies (central / state govt. Institution / non government institutions	0	0.00
c.	FII's	0	0.00
	<b>Sub total</b>	<b>52,100</b>	<b>0.85</b>
2.	OTHERS		
a.	Private corporate bodies	789,053	12.90
b.	Indian public	1,688,181	27.60

c.	NRI / OCB	4,295	0.07
d.	Any other - share in transit	29,471	0.48
	<b>Sub total</b>	<b>2,511,000</b>	<b>41.05</b>
	<b>Total</b>	<b>2,563,100</b>	<b>41.91</b>
	<b>GRAND TOTAL</b>	<b>6,116,200</b>	<b>100.00</b>

\* Includes Body Corporates also.

(o) **DEMATERIALIZATION OF SHARES**

The shares of the Company are traded in compulsorily dematerialised form. 5,154,873 Equity shares (84.28%) have been dematerialized as on 31.03.2012

(p) **Outstanding GDR/Warrants/Convertible Instruments.**

The Company has no outstanding GDR/Warrants/Convertible Instruments.

(q) **ADDRESS FOR CORRESPONDENCE**

Ajcon Global Services Limited  
101, Samarth, Lt. P. N. Kotnis Road, Mahim (West), Mumbai 400 016.  
Tel: 022 40280400-450 Fax: 022 2446 0339 Email: [ajcon@ajcon.net](mailto:ajcon@ajcon.net)

## 1.12 Reconciliation of Share Capital Audit Report

M/s G.N. Shanbhag & Co. Chartered Accountants, 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.

## 1.13 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.

## 1.14 CEO & CFO Certification

Mr. Ashok Ajmera, Chairman & Managing Director who is the CEO & CFO of the Company, have issued a Certificate to the Board as prescribed under sub - clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on 30th May, 2012 in which the Accounts for the Financial Year ended 31st March, 2012 were considered and approved by the Board of Directors.

## 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 Regional 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 matter where ever applicable.

## MANAGEMENT DISCUSSION ON AN ANALYSIS REPORT

### Macro-Economic Environment

Globally, in FY12 threat of sovereign crisis in euro zone countries loomed throughout the year. Large scale liquidity infusions by the European Central Bank have significantly reduced the stress in global financial markets. However, a sustainable solution to the euro area debt problem is yet to emerge. Recent developments, for example in Spain, indicate that the euro area sovereign debt problem will continue to weigh on the global economy. To add to the woes, US economy is still not out of the woods but showing signs of modest recovery. Ratings downgrade has led to risk aversion in global investors. In addition, Middle East continued to remain in political uncertainty and fears of slowdown in China was felt. Political unrest in the Middle East and North African region resulted in Crude oil prices remaining high during the year.

Domestically, the economic situation looks bleak too. GDP growth was below expectation. It came down sharply to 6.9% from an expectation of 8.5% in the beginning of the year. Policy paralysis has affected the sentiments of the investors both domestic and global. This year's budget provision of GAAR was disappointing, even unpleasant, for many industries, but no tax rule has caused as much disquiet as the General Anti-Avoidance Rule (GAAR). As the terms suggests, GAAR is aimed at curbing tax avoidance by say, structuring a business or effecting a transaction so as to minimize the liability. Key economic variables like inflation and interest rates were not favorable during the year. Inflation hit peak levels and continuous increase in interest rates led to liquidity crunch. In addition, rupee remained under pressure and depreciated against the US dollar owing to worsening domestic macro environment and strengthening in US dollar with risk aversion. All the above factors had resulted slowdown in rate sensitive sectors like Banking, Infrastructure, Housing and Auto. Going ahead, good monsoons and interest rate cuts along with controlled inflation would provide the much needed impetus to the bleeding economy.

### Our Business

The Company continued its growth march and achieved 11.32% growth in the top line and 32.37% growth in the PBT. Consultancy and advisory services continued to provide major boost to Company's revenues.

#### **i. Stock Broking**

Though, the Company successfully launched the online trading portal [www.payarapaisa.com](http://www.payarapaisa.com) and enrolled many clients on it under tie-up with Bank of India, the sluggish markets have not allowed us to generate major revenue from it. The Institutional broking business remained lack luster, while the retail broking just held the fort.

#### **ii. Currency broking**

The currency broking business of the Company has comparatively done well this year. The Company has been successful in providing currency Research reports to its clients which has benefited them immensely. The Company expects good volume of business in currency future segment during the current year.

#### **iii. Depository Services**

The Company remained active in its business as Depository participant of CDSL increasing the number of depository accounts to about 2500 consisting mainly of its Broking clients. The Company's plans to open up the said services for non-broking clients was remain on hold due to sluggish market conditions.

#### **iv. Corporate Advisory Services**

During the year under review, the Company executed a few large assignments generating handsome revenue. The Company also made some fresh recruitment to expand the scope of advisory services; presently the Company has more than eight assignments in hand.

#### **v. Investment Banking/Merchant Banking**

During the year under review, the Company has obtained the fresh Category I Merchant Banking Registration from SEBI. The Company held earlier Category I Merchant Banking Registration till 1997. The Merchant Banking Division has executed the assignment of syndicate member and underwriter for one Initial Public offering. In future the Company main focus shall be smaller IPOs for listing on SME Exchanges of BSE and NSE. The Company has a few mandates on hand for the same.

#### **vi. Proprietary Trading**

During the year due to very erratic movements in both Equity and Currency markets, your Company incurred losses to the tune of ₹39.77 lacs from the proprietary trading activity.

### Analysis of financial trends

In spite of difficult economic condition and bad markets, your Company's top line growth during the year under review was an impressive 11.32% and the net profits also grew by 32.37%. As shown in the table below, while the average Revenue during last three years kept Annual growth of 50%. The net profit also grew by an average of 53%.

FINANCIAL YEAR	GROSS REVENUE (₹ in lacs)	GROWTH (%)	PROFITS AFTER TAX (₹ in lacs)	GROWTH (%)
F.Y.2011-2012	859.72	11	101.09	32
F.Y.2010-2011	772.27	82	76.37	62
F.Y. 2009-2010	424.60	56	47.10	64
<b>AVERAGE GROWTH OF LAST 3 YEARS</b>		<b>50</b>		<b>53</b>

### Outlook & Opportunities

Having grown @ 6.90% in the year 2011-12, the Indian economy is expected to grow even lower @ 6.70% for the year 2012-13 leading to mute investment opportunities both in private and public sector. The growth of the capital market also depends on the growth of economy and hence, we are little optimistic of major revival of Indian capital market in the current year. However, we expect the revival of the IPO market with some public sector Companies hitting the market to meet the targets.

As regards opportunities, your Company has tremendous opportunity to grow faster as compared to many of peers due to the tie-up for online trading with Bank of India. Under this tie-up while the demat account and bank account shall be with Bank, the trading account is being opened with the Company. The Company has an ambitious target of opening 5000 accounts under this tie up during the year. Since, the company has total solutions for all the financial and investment needs of the clients, it is placed better than many of its competitors. Since, the Company has obtained a Merchant Banking Registration from SEBI, the scope of its activities has further enlarged.

### Threats:

1. Low capital base as the business requires large funds (Internal)
2. Fewer branches & franchisee outlets (Internal)
3. Slow down in the capital markets due to Global effects and deteriorating domestic economic conditions
4. Competition in the Market place (External)

### Adequacy of Internal Controls & Internal Audits

The Company has a strong internal control system in place. The Company's activities are subjected to Internal Audit, Concurrent Audit, System Audit and Inspections by the exchanges and regulatory authorities. The Company is fully compliant of all the rules, regulation and provisions of all the stock exchanges, SEBI, CDSL and other regulatory authorities.

### 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. During the year, the Company had added many more high level executives. The HR department takes care of the need of every employee and tries its best to make them comfortable.

### Code for Prevention of Insider Trading Practices

As a part of code of conduct, the Company has a well defined and laid down policy approved by the Board for the prevention of insider Trading in line with SEBI Insider Trading Prohibition Regulations which is applicable to all Directors, senior management/ Employees categorized as "Designated Employees".

### 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.

Mumbai  
30.05.2012

Regd Off. : 101, Samarth, Lt. P.N. Kotnis Road,  
Off Hinduja Hospital, Mahim (W), Mumbai 400 016.

By Order of the Board

(Ashok Ajmera)  
Chairman

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

All the Directors and Senior Management personnel have, respectively, affirmed compliance with Code of Conduct as approved and adopted by the Board of Directors.

For Ajcon Global Services Limited

Ashok Ajmera  
Managing Director

Place : Mumbai  
Date : 30th May, 2012

CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

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.

For Ajcon Global Services Limited

Place : Mumbai  
Date : 30th May, 2012

Ashok Ajmera  
Managing Director



**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, 2012 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 above-mentioned Listing Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the shareholders' Grievance Committee.

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.

**Address:**

307, Tulsiani Chambers,  
Nariman Point,  
Mumbai, 400021  
Tel: 22853039 Tele-fax:66301318

**For BHATTER & CO.**

Chartered Accountants  
Firm Reg. No.131092W

D. H. Bhatler  
Proprietor  
M. No.:16937

Mumbai  
30.05.2012

## AUDITORS' REPORT

To,

THE MEMBERS OF AJCON GLOBAL SERVICES LIMITED,

We have audited the attached Balance Sheet of AJCON GLOBAL SERVICES LIMITED as at 31<sup>st</sup> March 2012 and also the statement of 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.

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.

1. 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.
2. Further to our comments in the Annexure referred to 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, statement of 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, statement of 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 31<sup>st</sup> March, 2012 and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 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 31<sup>st</sup> March 2012,
  - ii) In the case of the statement of 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.

**Address:**

307, Tulsiani Chambers  
Nariman Point  
Mumbai, 400021  
Tel: 22853039  
Tele-fax: 66301318

**For BHATTER & CO.**

Chartered Accountants  
Firm Reg. No.131092W

D.H. Bhattar  
Proprietor  
M. No.:16937

Mumbai  
30.05.2012

**ANNEXURE TO AUDITORS' REPORT**

(Referred to in Paragraph (1) of our report of even date)

1. a) The Company has 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, 2012 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) Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets which could affect the going concern status of the Company.
2. In respect of inventories,
  - a) Company's inventory comprises of only the shares and securities. The Management during the year has physically verified those stocks which were not in dematerialized 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;
  - a) The Company has granted interest free unsecured loans and advance to a Subsidiary Companies and an Associate Enterprises. At the year end the outstanding balance of such loans granted to Subsidiary Companies was ₹ 7.50 lacs and the Associate Companies ₹ 4.49 lacs. The maximum amount outstanding of Subsidiary Companies during the year was ₹9.00 lacs and of Associate Companies ₹ 4.49 lacs.
  - b) In our opinion the terms & conditions of such loans are prima facie not prejudicial to the interest of the Company.
  - c) The loans given were not due for repayment at the year end; therefore the question of overdue principal amount does not arise.
  - d) The Company has not taken any loan, secured or unsecured from Companies, Firms and other parties covered in the register maintained under section 301 of the Companies Act 1956 hence requirement of clauses 4(iii) (f) and (g) of the Companies (Auditors' Report) order 2003 are not applicable.
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. a) 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.
- b) In our opinion and according to the information and explanation given to us the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹5.00 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
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 for any of the services rendered by the Company.
9. According to the information and explanation given to us, 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. Based on information furnished to us, there are no undisputed statutory dues as on 31st March, 2012 which are outstanding for a period exceeding six months from the date they became payable.
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, 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. However, as regards the client's shares and securities taken as margin, the Company has maintained adequate documents.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund or society.
14. The Company is dealing and trading in securities, derivatives and other instruments 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 others from Bank or Financial Institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were raised by the Company during the year; therefore question of utilization for stated purpose does not arise.
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 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 during the year.
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 BHATTER & Co**  
Chartered Accountants  
Firm Reg. No.131092W

D. H. Bhatte  
(Proprietor)  
Membership No. 16937

Mumbai  
30th May, 2012

(₹ in thousands)

BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012

PARTICULARS	Note No.	As at 31/03/2012 ₹	As at 31/03/2011 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share Capital	1	61,162.00	61,162.00
(b) Reserves and Surplus	2	65,090.80	54,981.94
		<b>126,252.80</b>	<b>116,143.94</b>
<b>(2) Non- Current Liabilities</b>			
(a) Long - term borrowings	3	1,443.97	1,776.20
(b) Deferred tax liabilities (Net )		2,435.62	3,660.46
		<b>3,879.59</b>	<b>5,436.66</b>
<b>(3) Current Liabilities</b>			
(a) Short - term borrowings	4	52,337.13	59,622.65
(b) Trade & Other Payables		11,244.06	11,686.67
(c) Other current liabilities		135.43	135.63
(d) Short - term provisions		8,933.44	10,000.00
		<b>72,650.06</b>	<b>81,444.95</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>202,782.45</b>	<b>203,025.55</b>
<b>II ASSETS</b>			
<b>(1) Non - Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible Assets	5	19,561.52	20,867.06
Intangible Assets		-	1,661.00
(b) Non - Current Investment	6	23,427.00	22,427.00
		<b>42,988.52</b>	<b>44,955.06</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	68,291.26	50,622.34
(b) Trade receivables	8	35,870.57	42,699.06
(c) Cash & Cash Equivalents	9	4,761.12	13,676.58
(d) Short - Term Loans & Advances	10	50,870.98	51,072.51
		<b>159,793.93</b>	<b>158,070.49</b>
<b>TOTAL ASSETS</b>		<b>202,782.45</b>	<b>203,025.55</b>

NOTES ON FINANCIAL STATEMENTS 1 TO 27

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

Ashok Ajmera

Narayan Atal

Ankit Ajmera

Anuj Ajmera

S. M. Jain

Managing Director

Director

Executive Director

Executive Director

Company Secretary

Mumbai  
30.05.2012

(₹ in thousands)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012

PARTICULARS	Note No.	Current year	Previous year
		2011-12 ₹	2010-11 ₹
<b>INCOME</b>			
I Income from Operations	11	84,830.15	76,348.32
II Other Income	12	1,141.51	878.93
<b>III Total Revenue (I+II)</b>		<b>85,971.66</b>	<b>77,227.25</b>
<b>IV EXPENDITURE</b>			
Employee benefits expense	13	20,904.31	13,079.21
Finance Cost	14	6,643.23	7,143.73
Depreciation	5	3,569.64	3,970.43
Other expenses	15	42,270.47	41,455.58
<b>Total Expenses</b>		<b>73,387.65</b>	<b>65,648.95</b>
<b>V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>12,584.01</b>	<b>11,578.30</b>
VI Exceptional Items		0.00	0.00
<b>VII Profit Before Extraordinary Items and Tax (V-VI)</b>		<b>12,584.01</b>	<b>11,578.30</b>
VIII Extraordinary Items		0.00	0.00
<b>IX Profit Before Tax (VII-VIII)</b>		<b>12,584.01</b>	<b>11,578.30</b>
X Tax Expense			
(1) Current Tax		3,700.00	3,000.00
(2) Deferred Tax Liability/(Assets)		(1,224.84)	941.02
<b>XI Profit for the year</b>		<b>10,108.86</b>	<b>7,637.28</b>
<b>XII Earning Per Share - Basic &amp; Diluted (₹)</b>		1.65	1.25

NOTES ON FINANCIAL STATEMENTS 1 TO 27

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

Ashok Ajmera

Narayan Atal

Ankit Ajmera

Anuj Ajmera

S. M. Jain

Managing Director

Director

Executive Director

Executive Director

Company Secretary

Mumbai  
30.05.2012

(₹ in thousands)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012**

	<u>2011-12</u>	<u>2010-11</u>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	12,584.01	11,578.30
<b>Adjustments for:</b>		
Interest from Fixed Deposits received	(299.79)	(400.62)
Dividend received	(701.32)	(406.76)
(Profit)/Loss on sale of fixed Assets	(45.10)	(2.15)
Depreciation	3,569.64	3,970.43
Interest and finance charges (net)	6,643.23	9,166.66
<b>Operating profit (loss) before working capital changes</b>	<u>21,750.67</u>	<u>21,882.93</u>
<b>Adjustments for:</b>		
Trade and other receivables	6,828.49	(12,636.23)
Inventories	(17,668.92)	(19,893.42)
Loans & Advances	6,623.61	22,338.98
Current Liabilities	(6,564.50)	9,349.34
<b>Cash generation from Operations</b>	<u>10,969.35</u>	<u>21,041.60</u>
Taxes paid	(6,422.08)	(5,501.00)
<b>Net Cash Flow from Operating Activities</b>	<u>4,547.27</u>	<u>15,540.60</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) of Fixed Assets	(2,445.50)	(4,438.91)
Sale of Fixed Assets	1,887.50	225.00
(Purchase)/ Sale of Investments	(1,000.00)	-
Dividend received	701.32	406.76
Interest from Fixed Deposits	299.79	400.62
<b>Net Cash From Investing Activities</b>	<u>(556.89)</u>	<u>(3,406.53)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Secured Loans	(8,301.61)	2,487.02
Unsecured Loans	2,039.00	1,201.00
Interest and Finance charges paid (net)	(6,643.23)	(7,143.73)
<b>Net Cash From Financing Activities</b>	<u>(12,905.84)</u>	<u>(3,455.71)</u>
Net increase/ (decrease) in Cash equivalents	(8,915.46)	8,678.36
Cash and Cash equivalents as at 01.04.2011	13,676.58	4,998.22
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2012</b>	<u>4,761.12</u>	<u>13,676.58</u>

NOTES ON FINANCIAL STATEMENTS 1 TO 27

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

Ashok Ajmera

Narayan Atal

Ankit Ajmera

Anuj Ajmera

S. M. Jain

Managing Director

Director

Executive Director

Executive Director

Company Secretary

Mumbai

30.05.2012

## I) SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting:

The financial statements are prepared as a going concern under historical cost convention on an accrual basis and in accordance with the Companies Act, 1956. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

### 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.

### d) Depreciation:

Depreciation on all fixed 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 on pro-rata from the date of such additions, or upto the date of sale/disposal, as the case may be.

### e) Non Current Investments:

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

### f) Inventories/Current Investments:

Inventories/Current Investments are consisting of stocks and securities and the same are accounted at cost and any decline in the carrying value other than temporary in nature is provided for.

### g) Equity Index/Stock Futures/Currency Futures:

- i. "Initial Margin- Equity Derivative Instrument", representing the initial margin paid for entering into contracts for Equity Index/Stock Futures/Currency Futures which are released on final settlement/squaring-up of underlying contracts, are disclosed under Loans and Advances.
- ii. Equity index/Stock Futures/Currency Futures for arbitrage purposes are Marked-to-Market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the "Mark-to-Market Margin- Equity Index/Stock Futures/Currency Futures Account", represents the net amount paid or received on the basis of movement in the prices of Index/Stock Futures/Currency Futures till the Balance Sheet date.
- iii. As on the Balance Sheet date, profit/loss on open positions in Equity index/Stock Futures/Currency Futures are accounted for as follows:
  - Credit balance in the "Mark-to Market Margin- Equity index/Stock Futures/Currency Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the statement of Profit and Loss Account.
  - Debit balance in the "Mark-to-Market Margin- Equity index/Stock Futures/Currency Futures", being anticipated loss, is adjusted in the statement of Profit and Loss Account.
- iv. On final settlement or squaring-up of contracts for Equity index/Stock Futures/Currency Futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin- Equity index/Stock Futures/Currency Futures Account" after adjustment of provision for anticipated losses is recognized in the statement of Profit and Loss Account.
- v. When more than one contract in respect of the relevant series of Equity index/Stock Futures/Currency Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

### h) 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 of respective segments & Stock Exchanges.
- iv. Dividend income has been accounted on receipt basis.



- v. The Annual Maintenance charges in respect of depository account holders are accounted at the time of opening the account or on completion of the year irrespective of the period they pertain to.
  - vi. Interest income is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.
  - vii. Income other than above is accounted on accrual basis.
- i) Retirement Benefits:**  
The Company's contribution towards Provident Fund is charged against revenue on actual basis. The Provisions for liability on account of other benefits including Gratuity & Leave encashment are made on accrual basis.
- j) Segment Reporting:**  
The Company operates in single business segment i.e. financial services and therefore segment information as per Accounting Standard 17 is not required to be disclosed.
- k) Earnings Per Share (E.P.S):**  
The Company reports Basic and Diluted Earnings per Share in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India.  
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. Diluted earning per share is computed using the weighted average number of equity share and dilute potential equity share outstanding during the period.
- l) 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 provisions of Income Tax Act, 1961.
  - ❖ **Deferred Tax**  
The Company provides 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.
  - ❖ **Security Transaction Tax (STT)**  
The STT on Proprietary trades are treated as expenses for determining the Profit /Loss from such activity.
- m) Impairment of Assets.**  
Impairment of Assets, if any, is recognized in accordance with AS-28.
- n) 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.

## II) Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

(₹ in thousands except Share data)

Note No.		As at 31/03/2012	As at 31/03/2011
<b>1</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	10,000,000 (7,000,000) Equity Shares of ₹10/- each	100,000.00	70,000.00
		<b>100,000.00</b>	<b>70,000.00</b>
	<b>Issued, Subscribed &amp; Paid up</b>		
	6,116,200 (6,116,200) Equity Shares of ₹10/- each fully paid up.	61,162.00	61,162.00
		<b>61,162.00</b>	<b>61,162.00</b>

<b>1.1</b>	<b>Details of Shareholders holding more than 5% shares:</b>	As at 31/03/2012		As at 31/03/2011	
	Name of Shareholder	No. of Shares	% held	No. of Shares	% held
	Ashok Ajmera	750,000	12.26	729,013	11.92
	Ajcon Consultants Pvt. Ltd.	719,900	11.77	672,613	11.00
	Pragati Ajmera	500,000	8.18	485,875	7.94
	Ankit Ajmera	325,000	5.31	305,000	4.99
	Anuj Ajmera	325,000	5.31	301,198	4.92

<b>1.2</b>	<b>The reconciliation of the number of shares outstanding is set out below:</b>	As at 31/03/2012	As at 31/03/2011
	Particulars	No. of Shares	No. of Shares
	Equity shares at the beginning of the year	6,116,200	6,116,200
	Add: Shares issued during the year	-	-
	Less: Shares cancelled or buy back during the year	-	-
	Equity Shares at the end of the year	6,116,200	6,116,200

<b>2</b>	<b>RESERVES AND SURPLUS</b>	As at 31/03/2012		As at 31/03/2011	
	Securities Premium Reserves		20,475.00		20,475.00
	General Reserve		10,737.50		10,737.50
	<b>Surplus in the Statement of Profit &amp; Loss Account</b>				
	Balance as per last financial statement	23,769.44		16,132.16	
	Profit for the year	10,108.86		7,637.28	
	Net Surplus in the Statement of Profit & Loss Account		33,878.30		23,769.44
	<b>Total</b>		<b>65,090.80</b>		<b>54,981.94</b>

(₹ in thousands)

AS AT 31/03/2012 AS AT 31/03/2011

<b>3</b>	<b>LONG - TERM BORROWINGS</b>		
	<u>Secured</u>		
	Vehicle Loans from Bank*	1,443.97	1,776.20
	<b>Total</b>	<b>1,443.97</b>	<b>1,776.20</b>

\* Secured against vehicles.

- There is no default in repayment of principal loan or interest thereon.

<b>4</b>	<b>CURRENT LIABILITIES</b>		
<b>4a</b>	<b>Short-terms borrowings</b>		
	<u>Secured loans</u>		
	Secured overdraft from bank	34,291.80	37,797.69
	Secured loans from bank repayable on demand	7,541.81	12,005.31
	<u>Others</u>		
	Temp. Overdraft from banks	338.52	1,693.65
	<u>Unsecured Loans</u>		
	Security/Margin Deposits*	7,665.00	8,126.00
	Inter Corporate Deposit (Refer Note 23)	2,500.00	0.00
	<b>Total</b>	<b>52,337.13</b>	<b>59,622.65</b>

- Secured Overdraft (OD-EQM) from Bank of India is secured by equitable mortgage of office premises belonging to the Company, equitable mortgage of a piece of land belonging to Ajcon Infra Projects Pvt. Ltd. an associate Company and personal guarantee of Managing Director.

- Secured loans (OD-shares) from Bank of India payable on demand is secured by pledge of shares with 50% margin.

- There is no default in repayment of principal loan or interest thereon.

\*(Refer Note 24 for related party transactions)

<b>4b</b>	<b>Trade &amp; Other Payables</b>		
	Creditors for trade	7,803.45	8,727.17
	Creditors for Expenses	1,360.24	1,183.88
	Creditors for Others*	2,080.37	1,775.62
	<b>Total</b>	<b>11,244.06</b>	<b>11,686.67</b>

\*Creditors for others include Interest accrued on Secured Loans amounting to ₹ 0.77 lacs. (Refer Note 24 for related party transactions)

<b>4c</b>	<b>Other Current Liabilities</b>		
	Unclaimed Dividend	135.43	135.63
	<b>Total</b>	<b>135.43</b>	<b>135.63</b>

<b>4d</b>	<b>Short-term provisions</b>		
	Advance from constituents	2,233.44	7,000.00
	Provision for taxation	6,700.00	3,000.00
	<b>Total</b>	<b>8,933.44</b>	<b>10,000.00</b>

(₹ in thousands)

## 5. FIXED ASSETS

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions in 2011-12	Deductions in 2011-12	As at 31.03.2012	As at 01.04.2011	Deduction	For the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>TANGIBLE ASSETS</b>										
Office Premises	6,159.86	-	-	6,159.86	608.21	-	100.41	708.62	5,451.24	5,551.65
Furniture & Fixtures	4,485.76	38.53	-	4,524.29	1,631.66	-	286.30	1,917.96	2,606.33	2,854.10
Computers	17,826.20	2,208.43	3,628.03	16,406.60	10,090.72	3,446.63	2,540.65	9,184.74	7,221.86	7,735.48
Motor Vehicle	3,641.73	-	-	3,641.73	1,411.01	-	345.96	1,756.97	1,884.76	2,230.72
Air - Conditioner	907.55	63.50	-	971.05	324.18	-	68.29	392.47	578.58	583.37
Electrical Installation	1,798.13	14.00	-	1,812.13	818.58	-	127.65	946.23	865.90	979.55
Office Equipments	1,482.01	121.04	-	1,603.05	549.82	-	100.38	650.20	952.85	932.19
<b>Total (A)</b>	<b>36,301.24</b>	<b>2,445.50</b>	<b>36,28.03</b>	<b>35,118.71</b>	<b>15,434.18</b>	<b>3,446.63</b>	<b>3,569.64</b>	<b>15,557.19</b>	<b>19,561.52</b>	<b>20,867.06</b>
<b>INTANGIBLE ASSETS</b>										
Registration Fees	350.00	-	-	350.00	350.00	-	-	350.00	-	-
Stock Exchange Card	1,661.00	-	1,661.00	-	-	-	-	-	-	1,661.00
<b>Total (B)</b>	<b>2,011.00</b>	<b>-</b>	<b>1,661.00</b>	<b>350.00</b>	<b>350.00</b>	<b>-</b>	<b>-</b>	<b>3,50.00</b>	<b>-</b>	<b>1,661.00</b>
<b>Total (A+B)</b>	<b>38,312.24</b>	<b>2,445.50</b>	<b>5,289.03</b>	<b>35,468.71</b>	<b>15,784.18</b>	<b>3,446.63</b>	<b>3,569.64</b>	<b>15,907.19</b>	<b>19,561.52</b>	<b>22,528.06</b>
Previous Year	38,330.29	4,438.91	4,456.96	38,312.24	16,047.86	4,234.11	3,970.43	15,784.18	22,528.06	22,282.43

## Footnote:

During the year the Company has sold at book value its ownership in the M.P. Stock Exchange membership card to a 100% subsidiary Company. However, the change of name is yet to be effected in the records of the concerned Exchange.

(₹ in thousands except Share data)

AS AT 31/03/2012 AS AT 31/03/2011

<b>6</b>	<b>NON- CURRENT INVESTMENTS</b>		
	<b>INVESTMENTS (At Cost)</b>		
	<b>Long Term- Strategic</b>		
	<u>Unquoted Shares</u>		
	<u>a) In Subsidiary Companies:</u>		
	i) 1,775,000 (1,775,000) Equity Shares of ₹ 10/- each of Ajcon Commodity Brokers Ltd.	17,750.00	17,750.00
	ii) 100,000 (Nil) Equity Shares of ₹ 10/- each of Kanchanmanik Securities Pvt. Ltd.	1,000.00	-
	<u>b) In Associate Companies:</u>		
	i) 25,000 (25,000) Equity Shares of ₹ 10/-each of Ajcon IT.Com Ltd.	4,000.00	4,000.00
	ii) 3,335 (3,335) Equity Shares of ₹ 10/- each of Ajcon Infra Projects Pvt. Ltd.	667.00	667.00
	<u>c) Others:</u>		
	i) 10,000 (10,000) Equity Shares of ₹ 1/- each of Madhya Pradesh Stock Exchange Ltd.	10.00	10.00
		<b>23,427.00</b>	<b>22,427.00</b>

<b>7</b>	<b>INVENTORIES (At Cost)</b>		
	Stock of Shares and Securities	68,291.26	50,622.34
		<b>68,291.26</b>	<b>50,622.34</b>

(Refer para (f) of significant accounting policies &amp; Note 19)

<b>8</b>	<b>TRADE RECEIVABLES</b>		
	(Unsecured, Considered good)		
	Debts outstanding for a period exceeding six months	2,517.87	2,775.80
	Others	33,352.70	39,923.26
		<b>35,870.57</b>	<b>42,699.06</b>

(Refer Note 24 for related party transactions)

<b>9</b>	<b>CASH &amp; BANK BALANCE</b>		
	Cash in Hand	349.72	421.00
	<u>Balance with Scheduled Banks</u>		
	-in Current Account	422.41	4,796.79
	in Fixed Deposit Account*	3,853.56	8,323.16
	-in unclaimed dividend account	135.43	135.63
		<b>4,761.12</b>	<b>13,676.58</b>

\*Fixed Deposits include ₹21.88 lacs having maturity period more than one year. (Refer Note 16 &amp; 19)

<b>10</b>	<b>SHORT - TERM LOANS &amp; ADVANCES</b>		
	(Unsecured, Considered good)		
	Advances recoverable in cash or in kind or for value to be received	22,575.51	24,712.72
	Advance to staff	3,277.64	3,907.50
	Deposits	25,017.83	22,452.29
		<b>50,870.98</b>	<b>51,072.51</b>

(Refer Note 24 for related party transactions)

(₹ in thousands)

		<u>2011-2012</u>	<u>2010-2011</u>
<b>11</b>	<b>INCOME FROM OPERATIONS</b>		
	Income from Stock Market Operations	13,538.40	18,002.91
	Income from Consultancy and Advisory Services	75,268.69	57,842.93
	Profit/(Loss) from Prop. Trading	(3,976.94)	502.48
		<b>84,830.15</b>	<b>76,348.32</b>
<b>12</b>	<b>OTHER INCOME</b>		
	Interest	299.79	461.69
	Dividend	701.32	406.76
	Profit on sale of Fixed Assets	45.10	2.15
	Miscellaneous Income	95.30	8.33
		<b>1,141.51</b>	<b>878.93</b>
<b>13</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Retainership Fees	16,692.54	9,343.99
	Directors remuneration	2,960.40	2,614.80
	Staff Welfare	1,251.37	1,120.42
		<b>20,904.31</b>	<b>13,079.21</b>
<b>14</b>	<b>FINANCE COST</b>		
	Interest expenses	6,232.78	6,559.30
	Bank charges and commission	410.45	584.43
		<b>6,643.23</b>	<b>7,143.73</b>
<b>15</b>	<b>OTHER EXPENSES</b>		
	Rent, Rates & Taxes	1,994.36	1,963.59
	Insurance Premium	96.77	118.55
	Postage and Courier	507.94	576.74
	Telephone Expenses	764.30	866.57
	Electricity Charges & expenses	908.47	702.59
	Printing & Stationery	513.64	511.57
	Advertising & Business Development	8,836.98	8,677.18
	Repairs & Maintenances	730.51	888.07
	Traveling & Conveyance	2,276.77	2,147.54
	Membership & Subscription	2,451.13	936.60
	Connectivity & Communication	512.82	762.20
	Software and AMC charges	643.91	1,106.96
	Depository charges	76.78	156.38
	Professional Fees	17,582.83	20,151.57
	<u>Auditors' Remuneration</u>		
	Statutory Audit Fees	60.00	60.00
	Tax Audit Fees	10.00	10.00
	Other Services	22.50	5.00
	Office & Sundry Expenses	1,618.88	1,430.78
	Transaction Charges	161.88	383.69
	Bad Debts Written off	2,500.00	-
		<b>42,270.47</b>	<b>41,455.58</b>

### 16. Contingent Liabilities and Commitments

- i) Counter Guarantees given for the Bank Guarantees for ₹ 73.75 lacs (less margin by way of Bank fixed deposits of ₹ 38.04 lacs) issued by the bankers of the Company in favour of the Clearing Corporation/Clearing Member/Stock Exchanges.
- ii) In consideration with concept of prudence, no contingent assets are recognized.

### 17. Deferred Tax Liability

The break-up of Deferred Tax Liability as on 31<sup>st</sup> March 2012 is as follows:

	(₹ in lacs)	
	31.03.2012	31.03.2011
Opening Liability	36.60	27.19
DTL/(DTA) on account of Depreciation	(12.25)	9.41
<b>Closing Liability</b>	<b>24.35</b>	<b>36.60</b>

18. Securities received from clients as Collaterals for margins are held by the Company in its own name in fiduciary Capacity. A part of these securities are pledged with the clearing Member for Futures & Options segments. Securities which are not registered in the name of the Company are held by the Company with valid transfer documents.
19. Bank fixed deposit of ₹ 50,000/- and shares worth ₹ 182,789/- are given to M.P. Stock Exchange towards Base Minimum Capital. Shares are also pledged against the secured Loans from Bank of India (OD against Shares).
20. 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. The aggregate market value of inventory though considered at cost as per the practice followed since inception, was higher than the value stated as at the date of balance sheet. The Book Debts of ₹25.18 lacs (₹27.76 lacs) are outstanding for the period exceeding six months but, considered good by the Management and hence not provided for.
21. Advances recoverable in cash or in kind or for value to be received include ₹7.50 lacs (₹9.00 lacs) due from the subsidiary Companies (maximum debit balance during the year ₹9.00 lacs) and ₹4.49 (₹Nil) from Associate Companies. (The maximum debit balance during the year was ₹4.49 lacs)
22. Some of the balances of Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation, if any.
23. During the year, the Company has brought back in the books a liability of ₹25.00 lacs and corresponding book debt of ₹25.00 lacs, which were written off/ adjusted against each other in the year 2009-10. This was necessitated due to revival of an old legal case. While the book debt is written off as bad debt, the said liability is paid off subsequent to the date of Balance Sheet in full & final settlement of the dues in terms of Minutes of Order dated 30/04/2012 passed by the Hon'able Bombay High Court.

**24. Related Party Disclosures:**
**Disclosure in accordance with Accounting Standards-18 – Related Party transactions during the year**

RELATIONSHIP( DURING THE YEAR )	RELATED PARTY
<b>A. Related party where control exists:</b>	
<u>Subsidiary Companies</u>	M/s Ajcon Commodity Brokers Limited M/s Kanchanmanik Securities Pvt. Ltd.
<b>B. Related parties where significant influence exists:</b>	
<u>Associate Enterprises</u>	M/s Ajcon Communication Pvt. Ltd M/s Ajcon Consultants Pvt. Ltd. M/s Ajcon Infra Projects Pvt. Ltd. M/s A. Ajmera & Associates
<b>C. Key Management Personnel:</b>	
Chairman and Managing Director	Mr. Ashok Ajmera
Executive Director	Mr. Ankit Ajmera
Executive Director	Mr. Anuj Ajmera
<b>D. Other Related Parties</b>	Mrs. Pragati Ajmera Mrs. Pallavi Ajmera Mrs. Shikha Ajmera Mr. Ajit Ajmera Mr. Ajay Ajmera

(₹ in lacs)

E. Significant transactions with related parties during the year				
NATURE OF TRANSACTION	SUBSIDIARY COMPANIES	ASSOCIATE ENTERPRISES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES
Advance Given (Net) - (Repayment)	(1.50)	4.49	-	-
Deposit Received	50.00	-	-	-
Remuneration	-	-	29.60	-
Income	0.53	0.09	0.73	0.01
Expenses	-	-	-	5.66

(₹ in lacs)

F. Outstanding balances as on 31.03.2012				
NATURE OF TRANSACTION	SUBSIDIARY COMPANIES	ASSOCIATES COMPANY	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES
Advance given	7.50	4.49	-	-
Deposits Received	50.00	-	-	-
Investments	187.50	46.67	-	-
Creditors	14.63	0.11	-	1.92
Debtors	-	-	17.74	2.82

Transactions with related parties in the normal course of business which were not materially significant have not been reckoned for the above purpose.



## 25. Earnings per share (EPS) - AS20

Particulars	(₹ in lacs)	
	2011-2012 (₹)	2010-2011 (₹)
Profit attributable to Equity Shareholders	101.09	76.37
Equity Share Capital	611.62	611.62
Outstanding (Face value ₹ 10/- per share) (nos.)	6,116,200	6,116,200
Earnings Per share - Basic & Diluted (₹)	1.65	1.25

## 26. Information pursuant to the provisions of part II of Revised Schedule VI of the Companies Act, 1956. (To the extent applicable and as certified by the Management)

## a) CIF value of imports, Expenditure &amp; Earning in foreign exchange: -

Traveling Expenses incurred of ₹ 0.17 lacs.

## b) Break up of Imported &amp; Indigenous materials and components concerned - N.A

27. Till the year ended 31<sup>st</sup> March, 2011, the Company was using pre-revised Schedule VI of the Companies Act, 1956 for preparation and presentation of its financial statements. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have accordingly been regrouped/reclassified to correspond with the current year's classification/disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

Ashok Ajmera

Narayan Atal

Ankit Ajmera

Anuj Ajmera

S. M. Jain

Managing Director

Director

Executive Director

Executive Director

Company Secretary

Mumbai

30.05.2012

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

(₹ in lacs)

1	NAME OF SUBSIDIARY	AJCON COMMODITY BROKERS LTD		KANCHANMANIK SECURITIES PVT. LTD.	
2	Date from which it became subsidiary	18.01.1995		20.12.2011	
3	Financial year of the Subsidiary ended on	31.03.2012	31.03.2011	31.03.2012	31.03.2011
4	Extent of the interest of the Company in the Subsidiary at the end of the financial year of each				
	A. Face Value (₹)	10	10	10	-
	B. No. of Equity Shares held	1,775,000	1,775,000	1,00,000	-
	C. Extent of holding (%)	81.61	88.75	100.00	-
5	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	₹ 5.71	₹ 4.71	₹ (0.01)	-
	ii) For the previous years since it became a subsidiary	₹ 4.09	₹ 0.05	N.A.	-
	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	NIL	NIL	NIL	-
	ii) For the previous years since it became a subsidiary	NIL	NIL	NIL	-

Note : (All amounts in lacs except share data)

## Statement regarding Subsidiary Companies:

(₹ in lacs)

Sr. No.	Particulars	Ajcon Commodity Brokers Ltd.		Kanchanmanik Securities Pvt. Ltd.	
		Amounts 31.03.2012	Amounts 31.03.2011	Amounts 31.03.2012	Amounts 31.03.2011
1)	Issued, Subscribed & paid up Share Capital	217.50	200.00	10.00	-
2)	Reserves	344.86	5.37	NIL	-
3)	Total Assets	2022.33	433.40	18.37	-
4)	Total Liabilities	2022.33	433.40	18.37	-
5)	Investments	11.00	11.00	NIL	-
6)	Turnover	125.14	31.72	NIL	-
7)	Profit/(loss) Before Tax	10.28	6.73	(0.01)	-
8)	Provision for Taxation	3.29	1.42	NIL	-
9)	Profit/(loss) After Tax	6.99	5.31	(0.01)	-
10)	Proposed Dividend	NIL	NIL	NIL	-

As per our report of even date attached

For and on behalf of the Board of Directors

## FOR BHATTER &amp; CO.

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

Ashok Ajmera

Narayan Atal

Ankit Ajmera

Anuj Ajmera

S. M. Jain

Managing Director

Director

Executive Director

Executive Director

Company Secretary

Mumbai  
30.05.2012

**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,  
THE MEMBERS OF AJCON GLOBAL SERVICES LIMITED,

1. We have examined the attached Consolidated Balance Sheet of AJCON GLOBAL SERVICES LIMITED (the parent Co.), and its Subsidiaries (together group) as at 31<sup>st</sup> March 2012 and also the Consolidated statement of 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.
2. 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.
3. 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 its Subsidiary included in Consolidated Financial Statements.
4. 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, and its subsidiaries 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, its subsidiaries as at 31<sup>st</sup> March 2012,
- (ii) The Consolidated statement of Profit & Loss Account gives a true and fair view of the consolidated results of operations of AJCON GLOBAL SERVICES LIMITED, and its subsidiaries 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, its subsidiaries for the year ended on that date.

**For BHATTER & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 131092W**

**Mumbai**  
**30.05.2012**

**D.H. BHATTER**  
**(PROPRIETOR)**  
**Membership No. 16937**

(₹ in thousands)

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012**

PARTICULARS	Note No.	As at 31/03/2012	As at 31/03/2011
		₹	₹
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders Funds</b>			
(a) Share Capital	1	61,162.00	61,162.00
(b) Reserves and Surplus	2	93,233.50	55,458.27
		<b>154,395.50</b>	<b>116,620.27</b>
(2) Share Application Money pending allotment		15,000.00	-
(3) Minority Interest	3	10,341.93	2,310.38
(4) <b>Non- Current Liabilities</b>			
(a) Long - term borrowings	4	1,443.97	1,776.20
(b) Deferred tax liabilities (Net)		2,494.70	3,740.74
		<b>3,938.67</b>	<b>5,516.94</b>
(5) <b>Current Liabilities</b>	5		
(a) Short - term borrowings		176,851.45	80,015.17
(b) Trade & Other Payables		10,951.43	12,792.08
(c) Other Current Liabilities		135.43	135.63
(d) Short - term provisions		9,273.61	10,323.97
		<b>197,211.92</b>	<b>103,266.85</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>380,888.02</b>	<b>227,714.44</b>
<b>II ASSETS</b>			
(1) <b>Non - Current Assets</b>			
(a) <b>Fixed Assets</b>	6		
Tangible Assets		19,825.55	21,343.19
Intangible Assets		1,661.00	1,661.00
Others		76.31	-
(b) Non - current investment	7	5,777.00	5,777.00
		<b>27,339.86</b>	<b>28,781.19</b>
(2) <b>Current Assets</b>			
(a) Inventories	8	249,468.19	78,264.66
(b) Trade receivables	9	36,194.51	44,058.77
(c) Cash & cash equivalents	10	6,979.85	14,310.21
(d) Short - term loans & advances	11	60,905.61	62,299.61
		<b>353,548.16</b>	<b>198,933.25</b>
<b>TOTAL ASSETS</b>		<b>380,888.02</b>	<b>227,714.44</b>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS 1 TO 21

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

**Ashok Ajmera**

**Narayan Atal**

**Ankit Ajmera**

**Anuj Ajmera**

**S. M. Jain**

*Managing Director*

*Director*

*Executive Director*

*Executive Director*

*Company Secretary*

Mumbai

30.05.2012

(₹ in thousands)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012**

PARTICULARS	Note No.	Current year	Previous year
		2011-12 ₹	2010-11 ₹
<b>INCOME</b>			
I Income from Operations	12	97,126.51	79,486.67
II Other Income	13	1,358.67	912.18
<b>III Total Revenue (I+II)</b>		<b>98,485.18</b>	<b>80,398.85</b>
<b>IV EXPENDITURE</b>			
Employee benefits expense	14	22,124.05	14,272.97
Finance Cost	15	6,669.19	7,162.41
Depreciation	6	3,781.74	4,176.65
Interest Expenses	15(a)	9,174.32	254.13
Other expenses	16	43,125.18	42,281.11
<b>Total Expenses</b>		<b>84,874.48</b>	<b>68,147.27</b>
<b>V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>13,610.70</b>	<b>12,251.58</b>
VI Exceptional Items		0.00	0.00
<b>VII Profit Before Extraordinary Items and Tax (V-VI)</b>		<b>13,610.70</b>	<b>12,251.58</b>
VIII Extraordinary Items		0.00	0.00
<b>IX Profit Before Tax (VII-VIII)</b>		<b>13,610.70</b>	<b>12,251.58</b>
X Tax Expense			
(1) Current Tax		4,050.00	3,125.00
(2) Deferred Tax Liability/(Assets)		(1,246.04)	958.10
<b>XI Profit for the year before Minority Interest</b>		<b>10,806.74</b>	<b>8,168.48</b>
Minority Interest apportioned		(151.21)	(59.76)
<b>XII Profit for the year</b>		<b>10,655.53</b>	<b>8,108.72</b>
<b>XIII Earning Per Share - Basic &amp; Diluted (₹)</b>		1.74	1.33

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS 1 TO 21

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

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M. No. 16937

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**Anuj Ajmera**

**S. M. Jain**

*Managing Director*

*Director*

*Executive Director*

*Executive Director*

*Company Secretary*

Mumbai

30.05.2012

(₹ in thousands)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012**

	<u>2011-12</u>	<u>2010-11</u>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	13,610.70	12,251.58
<b>Adjustments for:</b>		
Interest from Fixed Deposits received	(516.95)	(494.94)
Dividend received	(701.32)	(406.76)
(Profit)/Loss on sale of fixed Assets	(45.10)	(2.15)
Depreciation	3,781.74	4,176.65
Interest and finance charges (net)	6,669.19	7,162.41
	<u>9,187.56</u>	<u>7,162.41</u>
	22,798.26	22,686.79
<b>Operating profit (loss) before working capital changes</b>		
<b>Adjustments for:</b>		
Trade and other receivables	7,864.26	(12,469.54)
Loans & Advances	7,924.01	15,043.90
Inventories	(171,203.53)	(33,104.22)
Current Liabilities	(7,635.65)	9,496.17
	<u>(163,050.91)</u>	<u>9,496.17</u>
<b>Cash generation from Operations</b>	(140,252.65)	1,653.10
Taxes paid	(6,863.81)	(5,501.00)
<b>Net Cash Flow from Operating Activities</b>	<u>(147,116.46)</u>	<u>(3,847.89)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,106.50)	(4,611.13)
Sale of Fixed Assets	1,887.50	225.00
Dividend received	701.32	406.76
Interest from Fixed Deposits	516.95	494.94
<b>Net Cash From Investing Activities</b>	<u>(1,000.73)</u>	<u>(3,484.43)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Secured Loans	48,291.68	11,979.54
Unsecured Loans	49,240.65	11,226.00
Interest and Finance charges paid (net)	(6,669.19)	(7,162.41)
Net Proceeds from issue of Shares (Including Securities Premium)	35,000.00	-
Share Application Money received	15,000.00	-
Preliminary Expenses	(76.31)	-
<b>Net Cash From Financing Activities</b>	<u>140,786.83</u>	<u>16,043.13</u>
Net increase (decrease) in Cash equivalents	(7,330.36)	8,710.80
Cash and Cash equivalents as at 01.04.2011	14,310.21	5,599.41
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2012</b>	<u>6,979.85</u>	<u>14,310.21</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS 1 TO 21

As per our report of even date attached

**FOR BHATTER & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.131092W

D. H. BHATTER

PROPRIETOR

M. No. 16937

For and on behalf of the Board of Directors

**Ashok Ajmera**

**Narayan Atal**

**Ankit Ajmera**

**Anuj Ajmera**

**S. M. Jain**

*Managing Director*

*Director*

*Executive Director*

*Executive Director*

*Company Secretary*

Mumbai

30.05.2012

I) Notes on Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2012

(₹ in thousands except Share data)

Note No.		As at 31/03/2012	As at 31/03/2011
<b>1</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	10,000,000 (7,000,000) Equity Shares of ₹10/- each	100,000.00	70,000.00
		<b>100,000.00</b>	<b>70,000.00</b>
	<b>Issued, Subscribed &amp; Paid up</b>		
	6,116,200 (6,116,200) Equity Shares of ₹10/- each fully paid up.	61,162.00	61,162.00
		<b>61,162.00</b>	<b>61,162.00</b>

<b>1.1</b>	<b>Details of Shareholders holding more than 5% shares:</b>	As at 31/03/2012		As at 31/03/2011	
	Name of Shareholder	No. of Shares	% held	No. of Shares	% held
	Ashok Ajmera	750,000	12.26	729,013	11.92
	Ajcon Consultants Pvt. Ltd.	719,900	11.77	672,613	11.00
	Pragati Ajmera	500,000	8.18	485,875	7.94
	Ankit Ajmera	325,000	5.31	305,000	4.99
	Anuj Ajmera	325,000	5.31	301,198	4.92

<b>1.2</b>	<b>The reconciliation of the number of shares outstanding is set out below:</b>	As at 31/03/2012	As at 31/03/2011
	Particulars	No. of Shares	No. of Shares
	Equity shares at the beginning of the year	6,116,200	6,116,200
	Add: Shares issued during the year	-	-
	Less: Shares cancelled or buy back during the year	-	-
	Equity Shares at the end of the year	6,116,200	6,116,200

<b>2</b>	<b>RESERVES AND SURPLUS</b>	As at 31/03/2012		As at 31/03/2011	
	Securities Premium Reserves		47,610.33		20,475.00
	General Reserve		10,737.50		10,737.50
	Contingent Provision against Standard Assets		69.37		35.00
	<b>Surplus in the Statement of Profit &amp; Loss Account</b>				
	Balance as per last financial statement	24,210.77		16,137.05	
	Profit for the year	10,655.53		8,108.72	
	<u>Less: Appropriations</u>				
	Contingent Provision against Standard Assets	50.00		35.00	
	Net Surplus in the Statement of Profit & Loss Account		34,816.30		24,210.77
	<b>Total</b>		<b>93,233.50</b>		<b>55,458.27</b>

(₹ in thousands)

AS AT 31/03/2012 AS AT 31/03/2011

<b>3</b>	<b>MINORITY INTEREST</b>		
	Face value of shares held by minority	4,000.00	2,250.00
	Appropriation of Reserves & Surplus	6,341.93	60.38
		<b>10,341.93</b>	<b>2,310.38</b>

<b>4</b>	<b>LONG - TERM BORROWINGS</b>		
	<u>Secured</u>		
	Vehicle Loans from Bank	1,443.97	1,776.20
	<b>Total</b>	<b>1,443.97</b>	<b>1,776.20</b>

<b>5</b>	<b>CURRENT LIABILITIES</b>		
<b>5a</b>	<b>Short-terms borrowings</b>		
	<u>Secured loans</u>		
	Secured overdraft from bank	34,291.80	37,797.69
	Secured loans from bank repayable on demand	7,541.81	12,005.31
	Secured against shares repayable on demand	66,085.80	9,492.52
	<u>Others</u>		
	Temp. Overdraft from banks	665.40	1,693.65
	<u>Unsecured Loans</u>		
	Security/Margin Deposits	3,275.00	9,026.00
	Inter Corporate Deposit	64,981.64	10,000.00
	Loan from Directors	10.00	0.00
	<b>Total</b>	<b>176,851.45</b>	<b>80,015.17</b>

<b>5b</b>	<b>Trade &amp; Other Payables</b>		
	Creditors for trade	8,483.30	9,385.76
	Creditors for Expenses	1,450.98	1,269.62
	Creditors for Others	1,017.15	2,136.70
	<b>Total</b>	<b>10,951.43</b>	<b>12,792.08</b>

<b>5c</b>	<b>Other Current Liabilities</b>		
	Unclaimed Dividend	135.43	135.63
	<b>Total</b>	<b>135.43</b>	<b>135.63</b>

<b>5d</b>	<b>Short-term provisions</b>		
	Advance from constituents	2,233.44	7,000.00
	Provision for taxation	7,040.17	3,323.97
	<b>Total</b>	<b>9,273.61</b>	<b>10,323.97</b>



(₹ in thousands)

**6. FIXED ASSETS**

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions in 2011-12	Deductions in 2011-12	As at 31.03.2012	As at 01.04.2011	Deduction	For the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>TANGIBLE ASSETS</b>										
Office Premises	6,159.86	-	-	6,159.86	608.21	-	100.41	708.62	5,451.24	5,551.65
Furniture Fixtures	4,505.06	38.53	-	4,543.59	1,649.89	-	287.37	1,937.26	2,606.33	2,855.17
Computers	19,116.05	2,208.43	3,628.03	17,696.45	10,910.56	3,446.63	2,749.74	10,213.67	7,482.78	8,205.49
Motor Vehicle	3,641.73	-	-	3,641.73	1,411.01	-	345.96	1,756.97	1,884.76	2,230.72
Air - Conditioner	907.55	63.50	-	971.05	324.18	-	68.29	392.47	578.58	583.37
Electrical Installation	1,801.99	14.00	-	1,815.99	822.44	-	127.65	950.09	865.90	979.55
Office Equipments	1,512.68	121.04	-	1,633.72	575.44	-	102.32	677.76	955.96	937.24
<b>Total (A)</b>	<b>37,644.92</b>	<b>2,445.50</b>	<b>3,628.03</b>	<b>36,462.39</b>	<b>16,301.73</b>	<b>3,446.63</b>	<b>3,781.74</b>	<b>16,636.84</b>	<b>19,825.55</b>	<b>21,343.19</b>
<b>INTANGIBLE ASSETS</b>										
Registration Fees	350.00	-	-	350.00	350.00	-	-	350.00	-	-
Stock Exchange Card	1,661.00	1,661.00	1,661.00	1,661.00	-	-	-	-	1,661.00	1,661.00
<b>Total (B)</b>	<b>2,011.00</b>	<b>1,661.00</b>	<b>1,661.00</b>	<b>2,011.00</b>	<b>350.00</b>	<b>-</b>	<b>-</b>	<b>350.00</b>	<b>1,661.00</b>	<b>1,661.00</b>
<b>Total (A+B)</b>	<b>39,655.92</b>	<b>4,106.50</b>	<b>5,289.03</b>	<b>38,473.39</b>	<b>16,651.73</b>	<b>3,446.63</b>	<b>3,781.74</b>	<b>16,986.84</b>	<b>21,486.55</b>	<b>23,004.19</b>
Previous Year	39,501.75	4,611.13	4,456.96	39,655.92	16,709.19	4,234.11	4,176.65	16,651.73	23,004.19	22,792.56

(₹ in thousands except Share data)

AS AT 31/03/2012 AS AT 31/03/2011

<b>7</b>	<b>NON CURRENT INVESTMENTS</b>		
	<u>INVESTMENTS (At Cost)</u>		
	<u>Long Term- Strategic</u>		
	<u>Unquoted Shares</u>		
	i) 31,875 (31,875) Equity shares of ₹ 10/-each of Ajcon IT.Com Ltd, an associate Company.	5,100.00	5,100.00
	ii) 3,335 (3,335) Equity Shares of ₹10/- each of Ajcon Infra Projects Pvt. Ltd., an associate Company.	667.00	667.00
	iii) 10,000 (10,000) Equity shares of ₹1/- each of Madhya Pradesh Stock Exchange Ltd.	10.00	10.00
		<b>5,777.00</b>	<b>5,777.00</b>
<b>8</b>	<b>INVENTORIES (At Cost)</b>		
	Stock of Shares and Securities	249,468.19	78,264.66
		<b>249,468.19</b>	<b>78,264.66</b>
<b>9</b>	<b>TRADE RECEIVABLES</b>		
	(Unsecured, Considered good)		
	Debts outstanding for a period exceeding Six months	2,682.45	2,970.80
	Others	33,512.06	41,087.97
		<b>36,194.51</b>	<b>44,058.77</b>
<b>10</b>	<b>CASH &amp; BANK BALANCE</b>		
	Cash in Hand	615.87	496.49
	<u>Balance with Scheduled Banks</u>		
	-in Current Account	1,874.99	4,979.93
	-in Fixed Deposit Account	4,353.56	8,698.16
	-in unclaimed dividend account	135.43	135.63
		<b>6,979.85</b>	<b>14,310.21</b>
<b>11</b>	<b>SHORT - TERM LOANS &amp; ADVANCES</b>		
	Advances recoverable in Cash or in kind or for value to be received	30,721.32	32,677.96
	Advance to staff	3,367.44	4,220.00
	Deposits	26,816.85	25,401.65
		<b>60,905.61</b>	<b>62,299.61</b>

(₹ in thousands)

		<b>2011-2012</b>	<b>2010-2011</b>
<b>12</b>	<b>INCOME FROM OPERATIONS</b>		
	Income from Consultancy and Advisory Services	75,268.69	57,842.93
	Income from Stock Market & Commodity Market Operations	17,626.39	19,590.66
	Profit/(Loss) from Prop. Trading	4,132.23	1,725.58
	Finance and Services Charges	99.20	327.50
		<b>97,126.51</b>	<b>79,486.67</b>
<b>13</b>	<b>OTHER INCOME</b>		
	Interest	516.95	494.94
	Dividend	701.32	406.76
	Profit on sale of Fixed Assets	45.10	2.15
	Miscellaneous Income	95.30	8.33
		<b>1,358.67</b>	<b>912.18</b>
<b>14</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Retainership Fees	17,740.44	10,489.73
	Directors remuneration	2,960.40	2,614.80
	Staff Welfare	1,423.21	1,168.44
		<b>22,124.05</b>	<b>14,272.97</b>
<b>15</b>	<b>FINANCE COST</b>		
	Interest expenses	6,240.16	6,559.52
	Bank charges and commission	429.03	602.89
		<b>6,669.19</b>	<b>7,162.41</b>
<b>15(a)</b>	<b>INTEREST PAID BY SUBSIDIARY (NBFC) CO.</b>	<b>9174.32</b>	<b>254.13</b>
<b>16</b>	<b>OTHER EXPENSES</b>		
	Rent, Rates & Taxes	2,114.36	2,143.59
	Insurance Premium	106.34	128.12
	Postage and Courier	523.16	592.81
	Telephone Expenses	797.90	911.18
	Electricity Charges & expenses	908.47	702.59
	Printing & Stationery	527.29	524.33
	Advertising & Business Development	9,128.99	8,677.18
	Repairs & Maintenances	750.92	908.81
	Traveling & Conveyance	2,322.47	2,216.29
	Membership & Subscription	2,519.88	1,011.60
	Connectivity & Communication	554.82	1,001.05
	Software and AMC charges	643.91	1,106.96
	Depository charges	76.78	156.38
	Professional Fees	17,628.20	20,161.57
	<u>Auditors' Remuneration</u>		
	Statutory Audit Fees	68.00	67.00
	Tax Audit Fees	12.00	12.00
	Other Services	23.50	6.00
	Office & Sundry Expenses	1,629.54	1,453.09
	Transaction Charges	288.65	500.55
	Bad Debts Written off	2,500.00	-
		<b>43,125.18</b>	<b>42,281.11</b>

17. Notes to this consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Companies. 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. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

**18. Basis and principles of Presentation of Consolidated Financial Statements**

- i) The financial statements of the parent Company and its subsidiaries 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 there from as laid down in Accounting Standard (AS)-21 on "Consolidated Financial Statements".
- ii) The Financial Statements of the Subsidiaries used in the consolidation is drawn upto same reporting date as that of parent Company, i.e. year ended 31st March, 2012.
- iii) 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.
- (iv) The accounting policies of the parent are best viewed in its independent financial statements. The financial statements of the parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

19. In terms of AS 21 financial statement present the consolidated accounts of AJCON GLOBAL SERVICES LIMITED with its following subsidiaries:

SUBSIDIARY	COUNTRY OF INCORPORATION	2011-2012 PROPORTION OF OWNERSHIP INTEREST %	2010-2011 PROPORTION OF OWNERSHIP INTEREST %
Ajcon Commodity Brokers Limited	India	81.61%	88.75%
Kanchanmanik Securities Pvt. Ltd	India	100.00%	-

20. Figures pertaining to the subsidiary Companies have been reclassified/regrouped/recast wherever necessary to bring them in line with the parent Company's financial statements.

21. Till the year ended 31<sup>st</sup> March, 2011, the Company was using pre-revised Schedule VI of the Companies Act, 1956 for preparation and presentation of its financial statements. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have accordingly been regrouped/reclassified to correspond with the current year's classification/disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

**FOR BHATTER & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.131092W  
 D. H. BHATTER  
 PROPRIETOR  
 M. No. 16937

**Ashok Ajmera**  
**Narayan Atal**  
**Ankit Ajmera**  
**Anuj Ajmera**  
**S. M. Jain**

*Managing Director*  
*Director*  
*Executive Director*  
*Executive Director*  
*Company Secretary*

Mumbai  
 30.05.2012

# AJCON GLOBAL SERVICES LTD.

Regd. Off. : 101, Samarth, 151, Lt. P.N. Kotnis Road, Mahim (West),  
Mumbai- 400 016.

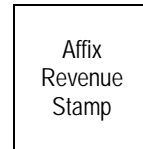


## PROXY FORM

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 Twenty Fifth Annual General Meeting of the Company to be held on Tuesday, 14th August, 2012 and if any adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2012



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.

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## AJCON GLOBAL SERVICES LTD.

Regd. Off. : 101, Samarth, 151, Lt. P.N. Kotnis Road, 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 Twenty Fifth Annual General Meeting of the Company held at 101, Samarth, 151, Lt. P.N. Kotnis Road, Mahim (West), Mumbai 400 016 on Tuesday 14<sup>th</sup> August, 2012 at 11.00 a.m.

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

\_\_\_\_\_  
(Member's/Proxy's Signature)



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Mahim (West), Mumbai - 400 016. India. Tel : 022 - 40280400/450, 24460335

Fax : 91 22 2446 0339 Email : [ajcon@ajcon.net](mailto:ajcon@ajcon.net) Website : [www.ajcononline.com](http://www.ajcononline.com)