

DIRECTORS' REPORT

To
The Members,

Your Directors have great pleasure in presenting the Twentieth Annual Report and the Audited Accounts of your Company for the year ended 31st March 2014.

FINANCIAL RESULTS:

	Year ended 31.03.2014 (₹ in '000)	Year ended 31.03.2013 (₹ in '000)
Income from Operations and Other Income	27,048.17	25,043.70
Profit before Financial Overheads & Depreciation	25,535.60	22,806.47
Less: Financial overheads	24,552.72	22,260.57
Less: Depreciation	420.34	353.18
Profit before Tax	562.55	192.72
Less: Provision for Tax	176.74	83.75
Profit after Tax	385.81	108.97
Add: Surplus/(Deficit) brought forward	1,344.75	1,150.79
Less: Contingent Provision against Standard Assets	52.14	(85.00)
Profit/(Loss) carried to Balance Sheet	1,678.42	1,344.75

OPERATIONS

The operations of the Company for the year under review have resulted in the gross profit of ₹ 25,535.60 thousands as against ₹ 22,806.47 thousand in the previous year. After providing for interest, depreciation and taxes, the Company has earned a net profit of ₹ 385.81 thousand as against the profit of ₹ 108.97 thousand in the previous year.

FUTURE PROSPECTS

Your directors expect the current year to be a better year in view of change in central Govt. whose policies may receive the economy on the whole, which in turn may benefit the company.

DIVIDEND

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

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules made there under and RBI regulations applicable to a NBFC company.

DIRECTORS

Mr. Ashok Ajmera, Director retires by rotation and being eligible, offers himself for re-appointment.

COMPLIANCE CERTIFICATE

A Certificate under Section 383 A of the Companies Act, 1956 has been received from a practicing Company Secretary.

INSURANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's income from operations this year stood at ₹ 27,048.17 thousand which resulted into a net profit of ₹ 562.55 thousand. The Company has identified lending against securities as the safe business which fits into its NBFC status in addition to the trading & investment in the equity, currency and commodity markets. The Company has got a line of credit sanctioned from other NBFCs, which has helped it in expanding its security business. The existing commodity broking business is in the process of being transferred to another group company.

Risk Management Systems

The Company has a comprehensive risk management policy for both the Clientele & Proprietary business. With research & risk management systems in place, the Company wants to utilize its comfortable fund position for proprietary trading in equity, currency and commodity markets within the fixed parameters. The Company has been active in securities trading with full risk management system in place.

NBFC Activity

During the year, the NBFC activity of the Company has shown signs of improvement. The Company is regular in its Compliance of RBI regulations as an NBFC.

Internal Control System

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

Human Resources

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

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms;

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of the profit of the Company for the year ended on that date;

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- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - iv. that the annual accounts have been prepared on a going concern basis.

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

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

EMPLOYEE INFORMATION:

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

AUDITORS AND AUDITORS' REPORT AND CERTIFICATE:

M/S Bhatte 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 the provisions of section 139 of the Companies Act, 2013. The Auditors' Report forms the part of this Annual Report.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Place : Mumbai
Date : 29.05.2014

Ashok Ajmera
Director

INDEPENDENT AUDITOR'S REPORT

To

The Members of Ajcon Commodity Brokers Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Ajcon Commodity Brokers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to section 211(3C) of the Companies Act, 1956 and the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Address:

307, Tulsiani Chambers
Nariman Point
Mumbai, 400021
Tel: 22853039
Fax: 66301318

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

D.H. Bhatter
Proprietor
Mem. No.:16937

Place: Mumbai
Date: 29.05.2014

ANNEXURE TO AUDITORS' REPORT

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

- i. In respect of Fixed Assets:
 - 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 fixed assets as at 31st March, 2014 was conducted by the Management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) During the year, the Company has not disposed off substantial Fixed Assets and therefore the going concern status of the Company is not affected.
- ii. In respect of inventories:
 - a) Company's inventory comprises of only the shares and securities. The Management during the year has physically verified these stocks which were not in dematerialized form and the rest were verified through demat statements of depositaries. In our opinion the frequency of such verification was reasonable.
 - b) The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) 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.
- iii. According to information and explanations given to us and based on our examination of the books of accounts, in respect of loans/advances 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 we state that;
 - a) The company has granted any unsecured loans and advances to its holding company and its associate company during the year under consideration. At the year-end balance of advances to holding company stands to ₹ Nil and to that of associate company stands to ₹ 743.18 thousand. The maximum amount outstanding during the year in respect of holding company was ₹ 12649.70 thousand and in respect of the associate company was ₹ 847.68 thousand.
 - b) In our opinion and as per the information provided to us, the repayment terms are not stipulated and prima facie the terms of the advances are not prejudicial to the interest of the Company. Since, the repayment schedule is not stipulated and the money is receivable on demand, clause iii(c) and iii(d) of the order are not applicable to the Company.
 - e) The Company has accepted advances to the tune of ₹ 11,991.18 thousand from the Holding Company during the year. The balance outstanding in respect of Holding Company stands to ₹ NIL and that of associate company ₹ 814.90 thousand.
 - f) In our opinion and as per the information provided to us, the repayment terms are not stipulated and prima facie the terms of the advances are not prejudicial to the interest of the Company. Since, the repayment schedule is not stipulated and the money is payable on demand, clause iii(g) is not applicable to the Company
- iv. 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 inventory, equipments and other assets and payment of expenses & for the sale of services.

During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- v. 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) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees during the financial year, therefore requirement of reasonableness of transactions does not arises.
- vi. According to the information and explanation given to us, the Company has not accepted any deposits from public.
- vii. As per information & explanations given by the management, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. As per information & explanation given by the management, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act 1956.
- ix. (a) According to the records of the company, undisputed statutory dues including Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable. According to the records, the Company was not required to pay any amount towards Provident Fund, Investor Education and Protection Fund, Employees' State Insurance.
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- x. The Company does not have any carried forward losses and also has not incurred cash loss either during the year or in the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks, financial institutions.
- xii. 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.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In respect of dealing or trading in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Act.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. In our opinion and according to the information and explanations given to us, the Company has neither obtained nor applied any term loans during the year.
- xvii. 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.

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- xviii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the year end.
 - xx. The Company has not raised any money through public issue during the year.
 - xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor we have been informed of any such cases by the management.

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For BHATTER & CO.

Chartered Accountants
Firm Reg. No.131092W

D.H. Bhatter
Proprietor
Mem. No.:16937

Place: Mumbai

Date: 29.05.2014

AJCON COMMODITY BROKERS LIMITED		Particulars	Note No.	BALANCE SHEET AS AT 31ST MARCH 2014			
				As at 31/03/2014	As at 31/03/2013		
				(₹ '000)	(₹ '000)		
I	EQUITY AND LIABILITIES						
1	<u>Share Holders' Fund</u>						
	Share Capital		2	22,375.00	22,375.00		
	Reserve and Surplus		3	46,803.42	46,469.75		
				69,178.42	68,844.75		
2	<u>Non-Current Liabilities</u>						
	Long Term Borrowings		4	615.86	989.27		
	Deferred Tax Liability (Net)		5	66.50	103.94		
				682.36	1,093.21		
3	<u>Current Liabilities</u>						
	Short-Term Borrowings		6	1,30,821.66	1,76,699.89		
	Trade Payables		7	532.49	6,416.24		
	Other Current Liabilities		8	462.67	582.44		
	Short Term Provisions		9	304.15	180.95		
				1,32,120.97	1,83,879.53		
			TOTAL	2,01,981.74	2,53,817.50		
II	ASSETS						
1	<u>Non Current Assets</u>						
	Fixed Assets						
	Tangible Assets		Gross Block	3,303.99	3,303.99		
			Depreciation	1,853.15	1,432.82		
			Net Block	1,450.84	1,871.17		
	Non Current Investments		11	1,100.00	1,100.00		
				2,550.84	2,971.17		
2	<u>Current Assets</u>						
	Inventories		12	1,78,683.21	2,45,545.02		
	Trade Receivables		13	1,292.34	353.56		
	Cash & Cash Equivalents		14	1,072.64	1,241.03		
	Short Term Loans & Advances		15	18,382.71	3,706.72		
				1,99,430.89	2,50,846.33		
			TOTAL	2,01,981.74	2,53,817.50		

As per our report of even date attached

For and on behalf of Board

FOR BHATTER & CO.

CHARTERED ACCOUNTANTS

Firm Registration No.131092W

Ashok Ajmera

Director

D.H. Bhatter

Proprietor

M. No. 16937

Place: Mumbai

Date: 29.05.2014

Ankit Ajmera

Director

Anuj Ajmera

Director

AJCON COMMODITY BROKERS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014			
Particulars	Note No.	For the year Ended 31/03/2014	For the year Ended 31/03/2013
		(₹ '000)	(₹ '000)
I. Revenue from Operations	16	26,873.02	24,427.42
II. Other Income		175.15	616.27
III. Total Revenue (I+II)		27,048.17	25,043.70
IV Expenses			
Employee Benefit Expenses	18	620.35	1,147.73
Financial Cost		24,552.72	22,260.57
Depreciation & Amortization Expenses		420.34	353.18
Other Expenses		892.22	1,089.49
Total Expenses		26,485.62	24,850.98
V Profit/(Loss) before Extra-ordinary items & Tax (III-IV)		562.55	192.72
VI Extra-ordinary items		-	-
VII Profit/(Loss) before Tax (V-VI)		562.55	192.72
VIII Tax Expenses			
i) Current Tax	19	209.27	37.00
ii) Deferred Tax Expenses/ (Savings)		(37.44)	44.86
iii) Short/(Excess) Provision of Taxation in Earlier Years		4.91	1.89
IX Profit/(Loss) for the period		385.81	108.97
Provision for Contingent Liabilities against Standard Assets		(52.14)	85.00
X Balance carried to Balance Sheet		333.67	193.97
Basic & Diluted EPS (in ₹)			
Face Value ₹ 10/- per Share			

As per our report of even date attached

For and on behalf of Board

FOR BHATTER & CO.

CHARTERED ACCOUNTANTS

Firm Registration No.131092W

Ashok Ajmera

Director

D.H. Bhatter

Ankit Ajmera

Director

Proprietor

M. No. 16937

Place : Mumbai

Date : 29.05.2014

Anuj Ajmera

Director

AJCON COMMODITY BROKERS LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014			
	Particulars	Year Ended 31/03/2014	Year Ended 31/03/2013
		(₹ '000)	(₹ '000)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Prior period Adjustment & exceptional item	562.55	192.72
	Adjustment for:		
	Depreciation and Amortisation	420.34	353.18
	Provision for Loss on Options Trading	(142.06)	142.06
	Interest Received	(1,746.87)	(47.55)
	Operating Profit Before Working Capital Changes	(906.05)	640.41
	Adjustment for:		
	Inventories	66,861.81	(64,368.09)
	Trade & Other Receivables	(15,614.77)	13,450.08
	Trade Payables & Other Current Liabilities	(6,003.53)	5,904.92
	Cash Generated from Operations	44,337.46	(44,372.68)
	Direct Taxes Paid (Net of Refund)	(1.07)	(340.17)
	Cash Flow before prior period Adjustments & Exceptional item	44,336.39	(44,712.85)
	Prior Period Adjustments	-	-
	Net Cash From / (Used In) Operating Activities	(A)	44,336.39
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets / Capital work-in-progress	-	(1,960.31)
	Interest on Fixed Deposits Received	50.15	47.55
	Net Cash From / (Used In) Investing Activities	(B)	50.15
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Secured Borrowings (Net)	(12,941.63)	16,789.05
	Proceeds from Unsecured Borrowings (Net)	(33,310.02)	31,395.79
	Net Proceeds from Issue of Shares including Share Premium	-	12,500.00
	Share Application Money Received	-	(15,000.00)
	Interest Received	1,696.72	-
	Net Cash From / (Used In) Financing Activities	(C)	(44,554.93)
	Net Increase / (Decrease) in Cash and Cash equivalents (A)+(B)+(C)		(168.39)
	Cash and Cash equivalents at the beginning of the year		1,241.03
	Cash and Cash equivalents at the end of the year		1,072.64
			2,181.78
			1,241.03
	NOTES: 1) Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006. 2) Cash and Cash equivalent at the end of the year includes earmarked balance with Bank towards unpaid dividend. 3) Figures for the previous year are re-classified / re-arranged / re-grouped, wherever necessary.		

As per our report of even date attached

For and on behalf of Board

FOR BHATTER & CO.

CHARTERED ACCOUNTANTS

Firm Registration No.131092W

Ashok Ajmera

Director

D.H. Bhatter

Proprietor

M. No. 16937

Place : Mumbai

Date : 29.05.2014

Ankit Ajmera

Director

Anuj Ajmera

Director

Notes forming integral part of final accounts of the company for the year ended 31st March 2014**Note: 1 SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Accounting:**

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the directives prescribed by the Reserve Bank of India for Non Banking Financial Companies. The financial statements have been prepared under the historical cost convention on an accrual basis. However, income is not recognized and also provision is made in respect of non-performing assets as per the guidelines for prudential norms prescribed by the Reserve Bank of India. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year. The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

b) Use of Estimates:

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

c) Revenue Recognition:

- i. Revenue is recognized where there is reasonable certainty of its ultimate realization.
- ii. Brokerage on Commodity markets operations is recognized based on the date of settlement of the transaction.
- iii. Revenue from trading in securities is accounted for on trade date basis.
- iv. Income other than above is accounted on accrual basis.

d) Fixed Assets:

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

e) Depreciation:

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

f) Investment:

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

g) Inventories:

Inventories 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. Dividends on the inventory are accounted in line with guidelines of AS-13 issued by ICAI.

h) Equity Index/Stock Futures Derivative Instruments:

In accordance with the ICAI announcements, derivative contracts (other than foreign currency forward contracts covered under AS 11) is done based on the 'marked to market' principle, on a portfolio basis, and the net loss, if any, after considering the offsetting effect of underlying hedged items, is charged to

the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored as a matter of prudence. As on the Balance Sheet date, profit/loss on open positions in Equity index/Stock Futures are accounted for as follows:

- Credit balance in the "Mark-to Market Margin- Equity index/Stock 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", being anticipated loss, is adjusted in the statement of Profit and Loss Account.

i) **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 completed in accordance with provision of relevant statute.

- **Deferred Tax**

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

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

The break-up of Deferred Tax Liability is given in note-5

j) **Segment Reporting**

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

k) **Earnings per Share:**

The basic earnings 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.

Notes forming Integral Part of Balance Sheet as at 31st March 2014

	As at 31.03.2014	As at 31.03.2013
	(₹ '000)	(₹ '000)

Note: 2 Share Capital

Authorised Share Capital		
25,00,000, (25,00,000) Equity Shares of ₹ 10 each	25,000.00	25,000.00
Issued, Subscribed & Paid Up		
22,37,500, (22,37,500) Equity Shares of ₹ 10 each fully paid up.	22,375.00	22,375.00
Total	22,375.00	22,375.00

2.1 Details of Shareholders' holding more than 5% Shares :

Name of Shareholders'	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% held	No. of Shares	% held
Ajcon Global Services Ltd. (Holding Company)	17,75,000	79.33	17,75,000	79.33
Ajcon Consultants Pvt. Ltd.	2,25,000	10.06	2,25,000	10.06

2.2 Reconciliation of the number of Shares outstanding is set out below :

Particulars	As at 31.03.2014	As at 31.03.2013
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	22,37,500	21,75,000
Add: Shares issued during the year	-	62,500
Less: Shares cancelled/ buy back during the year	-	-
Equity Shares at the end of the year	22,37,500	22,37,500

2.3 Face Value of Shares

All the equity shares are of same class with a face value of ₹ 10 per share. Shares issued during the year shall rank pari passu to the existing shares.

2.4 Rights, Preferences and Restrictions attached to Shares :

Equity Shares: The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

	As at 31.03.2014	As at 31.03.2013
	(₹ '000)	(₹ '000)

Note: 3 Reserve and Surplus

Securities Premium		
Balance at the beginning of the year	45,125.00	33,250.00
Additions during the year	-	11,875.00
Utilization during the year	-	-
Balance at the end of the year c/f to Balance Sheet	45,125.00	45,125.00
Profit and Loss Account		
Balance at the beginning of the year	1,344.75	1,150.79
Profit/(Loss) during the year	333.67	193.97
Balance at the end of the year c/f to Balance Sheet	1,678.42	1,344.75
Total	46,803.42	46,469.75

Note: 4 Long Term Borrowings

Secured Loans		
Vehical Loan From Bank (Secured against vehicals. Payment of principal and interest thereon is in line with the stipulated terms of the loan)	615.86	989.27
TOTAL	615.86	989.27

	As at 31.03.2014	As at 31.03.2013
	(₹ '000)	(₹ '000)

Note: 5 Deferred Tax Liability (Net)

Deferred Tax Liability : (Opening)	103.94	59.08
Add: Deferred Tax Liability/ (Asset) for timing difference on depreciation	(37.44)	44.86
Net Deferred Tax Liability : (Closing)	66.50	103.94

Note: 6 Short Term Borrowings

Secured		
Inter Corporate Loans/ Advances (Secured against shares, repayable on demand)	69,317.37	81,885.58
Unsecured		
Advance from Holding Company	-	2,586.58
Temporary Bank Overdraft	792.59	2,230.10
Security Deposit/ Margin	-	50.00
Inter Corporate Deposits	58,211.70	89,947.63
Capital Advances received	2,500.00	-
TOTAL	1,30,821.66	1,76,699.89

Note: 7 Trade Payables

Creditors for Trade	[Refer note below]	446.08	5,813.56
Creditors for Expenses	[Refer note below]	86.41	602.68
TOTAL		532.49	6,416.24

Note: The disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not applicable to our company as we are neither a trading nor a manufacturing company. Also, due to absence of information from the creditors regarding their registration under Micro, Small and Medium Enterprises Development Act, 2006 no specific disclosure is possible.

Note: 8 Other Current Liabilities

TDS Payable	462.64	579.89
Stamp Duty Payable	0.03	2.55
TOTAL	462.67	582.44

Note: 9 Short Term Provisions

Provision for Taxation	252.01	38.89
Provision for Contingent Liability against Standard Assets	52.14	-
Provision for Loss on Options Trading	-	142.06
TOTAL	304.15	180.95

Note : 10 Tangible Assets

(₹ in '000)

Particulars	Gross block				Depreciation				Net Block	
	As at 01.04.2013	Addition during the period	Deduction during the period	Gross Block	As at 01.04.2013	Addition during the period	Deduction during the period	Gross Block	As at 31.03.2014	As at 31.03.2013
Computers	1,645.19	-	-	1,645.19	1,276.98	266.69	-	1,543.67	101.52	368.21
Furniture	19.30	-	-	19.30	19.30	-	-	19.30	-	-
Electrical Installation	3.86	-	-	3.86	3.86	-	-	3.86	-	-
Motor Car	1,604.96	-		1,604.96	103.18	152.47	-	255.65	1,349.31	1,501.78
Office Equipments	30.68	-	-	30.68	29.50	1.18	-	30.68	-	1.18
Total	3,303.99	-	-	3,303.99	1,432.82	420.34	-	1,853.15	1,450.83	1,871.17
Previous Year	1,343.68	1,960.31	-	3,303.99	1,079.63	353.18	-	1,432.81	1,871.18	264.04

	As at 31.03.2014	As at 31.03.2013		
			(₹ '000)	(₹ '000)

Note: 11 Non Current Investments

Other Investments		
Investment in Equity Instruments		
<u>Unquoted Equity Shares</u>		
6,875 (6,875) Equity shares of ₹ 10 each of M/s Ajcon IT.Com Ltd.	1,100.00	1,100.00
TOTAL	1,100.00	1,100.00

Note: 12 Inventories

<u>Stock of Shares and Securities (At Cost)</u>	1,78,683.21	2,45,545.02
TOTAL	1,78,683.21	2,45,545.02

Note: 13 Trade Receivables

<u>Sundry Debtors (Unsecured, considered good)</u>		
Outstanding for a period exceeding six months from the date they are due for payment	-	76.00
Others	1,292.34	277.56
TOTAL	1,292.34	353.56

	As at 31.03.2014	As at 31.03.2013
	(₹ '000)	(₹ '000)

Note: 14 Cash & Cash Equivalents

Cash on Hand	318.09	135.34
Balances with Bank		
- In current accounts	178.53	538.32
Bank Fixed Term Deposits	523.79	512.53
(Original maturity is more than 12 months)		
Accrued Interest on Bank Term Deposits	52.23	54.83
TOTAL	1,072.64	1,241.03

Note: 15 Short Term Loans & Advances

<u>Unsecured, considered good</u>		
<u>Advances to related parties</u>		
- <i>Balances with related parties</i>	743.18	104.50
- <i>Others</i>	15,211.34	
Tax payment- Advance tax, self assessment tax & TDS	1,207.15	666.76
Other advances recoverable in cash or in kind or for value, to be considered good	126.89	1,558.02
Prepaid Expenses	-	2.00
<u>Deposits</u>		
- Deposits with Stock Exchanges & Other Miscellaneous Deposits	1,094.14	1,375.44
TOTAL	18,382.71	3,706.72

Notes forming integral part of Statement of Profit and Loss for the year ended 31st March 2014

	For the year ended on 31.03.2014	For the year ended on 31.03.2013
	(₹ '000)	(₹ '000)

Note: 16 Revenue from Operations

Income from Operations	6,543.95	4,928.14
Profit from Securities and Commodity Trading	18,632.35	19,499.28
Interest income	1,696.72	492.14
TOTAL	26,873.02	24,919.56

Note: 17 Other Income

Interest on Bank Fixed Deposit	50.15	47.55
Other Operating Income	125.00	76.58
TOTAL	175.15	124.13

Note: 18 Employee Benefit Expenses

Salaries to Staff	617.35	1,079.23
Staff Welfare Expenses	3.00	68.50
TOTAL	620.35	1,147.73

Note: 19 Financial Cost

Interest Expenses	24,510.07	22,245.98
Bank Charges & Commission	42.66	14.59
TOTAL	24,552.72	22,260.57

Note: 20 Other Expenses

Auditors' Remuneration	10.00	10.00
Connectivity & Communication	217.34	76.76
Insurance Premium	25.00	45.35
Legal & Professional Fees	161.42	477.02
Postage, Courier and Telegram	23.52	14.68
Printing & Stationery	26.48	14.70
Rent, Rates & Taxes	108.00	112.00
Repairs & Maintenance	37.10	26.43
Subscription and Membership Fees	75.00	88.89
Sundry Expenses	78.98	32.40
Telephone Expenses	40.44	36.64
Transaction Charges	29.31	115.91
Travelling & Conveyance	59.62	38.72
TOTAL	892.22	1,089.49

22. Contingent Liabilities and Commitments

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.

There is no contingent liability as on Balance Sheet date.

23. The Company has been enjoying an overdraft facility from NBFCs/Companies against the security of shares. A sum of ₹ 69,317.37 thousand (PY ₹ 81,885.58 thousand) was outstanding as on the date of the Balance sheet against the security of shares under the said facility. The same has been shown under the head Short term borrowings (Secured) in the Balance sheet.

24. In the opinion of the Board of Directors, the current assets, loans and advances are of the value as stated, if realized in the ordinary course of the business, except to the extent of the erosion in the value of stock which is undeterminable, due to non-availability of market quotations in most of the cases and being the strategic long term investments.

25. Related Party Disclosures:

Disclosure in accordance with Accounting Standards-18 – Related Party transactions taken place during the year

A. List of Related Parties.

RELATIONSHIP	RELATED PARTY
1. Related party : Holding Control	
Holding Company	M/s Ajcon Global Services Ltd.
2. Related parties where significant influence exists	
Subsidiaries of Holding Company	M/s Ajcon Comtrade Private Limited M/s Kanchanmanik Securities Pvt. Ltd.
Associate Enterprises	M/s A. Ajmera & Associates M/s Ajcon Infra Projects Pvt. Ltd. M/s Ajcon Consultants Pvt. Ltd. M/s Ajcon IT.Com Ltd.
3. Key Management Personnel	
Director	Mr. Ashok Ajmera
Director	Mr. Ankit Ajmera
Director	Mr. Anuj Ajmera

B. Significant transactions with related parties (₹ '000)

Nature of Transaction	Holding Company	Subsidiaries of Holding Company	Associate Enterprises	Key Management Personnel
Loans and Advances Given (Net)	-	-	730.00, (1300.00)	-
Loans & Advances received (Net)	Nil, (2586.58)	-	-	-
Capital Advance Received	-	Nil, (2,500)	-	-
Debtors	-	-	-	Nil,(76.00)
Income	-	-	14.64,(Nil)	0.01, (Nil)

(Amounts in bracket represent the figures of the corresponding previous year.)

There are some transactions in current account with related parties which were not materially significant and hence not reckoned for the above purpose.

C. Outstanding balance as on 31.03.2014 (₹ '000)

Nature of Transaction	Holding Company	Subsidiaries of Holding Company	Associate Enterprises	Key Management Personnel
Loans & Advances (Given)	-	-	743.18,(104.50)	-
Loans & Advances (Received)	Nil,(2,586.58)	-	Nil, (814.90)	-
Capital Advance Received	-	2,500,(2,500)	-	-
Investment	-	-	1,100.00, (1,100.00)	-
Debtors	-	-	-	Nil, (76.00)
Creditors	-	-	-	Nil,(40.70)

(Amounts in bracket represent the figures of the corresponding previous year.)

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 & Earning in foreign exchange:- NIL (P.Y. NIL)
- b) Break up of Imported & Indigenous materials and components concerned:- NIL (P.Y. NIL)

27. Previous years' figures have been regrouped/ reclassified wherever necessary to correspond with the current years' classification/ disclosure.

As per our report of even date attached
FOR BHATTER & CO.
 CHARTERED ACCOUNTANTS
 Firm Registration No.131092W

For and on behalf of Board

Ashok Ajmera Director

D.H. Bhatter
Proprietor
 M. No. 16937
 Place : Mumbai
 Date : 29.05.2014

Ankit Ajmera Director

Anuj Ajmera Director

Non-Banking Financial Companies Auditor's Report
(Reserve Bank) Directions, 2008

To,
The Board of Directors
Ajcon Commodity Brokers Limited
Mumbai.

We hereby certify

1. that the Company is engaged in the business of Non-Banking Financial Institution and has obtained a Certificate of Registration from the Bank;
2. that the Company is entitled to continue to hold the Certificate of Registration in terms of its asset/income pattern as on 31st March 2014;
3. that the Board of Directors has passed a resolution for non- acceptance of any public deposits;
4. that the Company has not accepted any public deposits during the relevant period/year;
5. that the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
6. that the prudential norms in respect of Systemically Important Non-deposit taking NBFCs as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are not applicable to the Company
7. that the Submission of the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) to the Reserve Bank of India is not applicable to the Company.

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

Place: Mumbai
Date :29.05.2014

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

(D.H. Bhatter)
Proprietor
M. No.:16937

Annex
**Schedule to the Balance Sheet of AJCON COMMODITY BROKERS LIMITED
(a non-deposit taking non-banking financial company)**

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

(₹ in '000)

		Particulars	
		Amount Outstanding	Amount Overdue
(1)	Liabilities side :		
	Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	-	-
		-	-
		(other than falling within the meaning of public deposits*)	
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	1,27,529 .07	-
	(e) Commercial Paper	-	-
	(f) Other Loans - Bank Overdraft - Vehicle Loan From Bank	792.59	-
		615.86	-

*Please see Note 1 below

		Assets side :	
		Amount outstanding	
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	-	
	(b) Unsecured	15,954.52	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease	-	
	(ii) Stock on hire including hire charges under sundry debtors (a) Assets on hire (b) Repossessed Assets	-	
	(iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	-	
(4)	Break-up of Investments : Current Investments :		
	Quoted :		
1.	(i) Shares : (a) Equity (b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	
2.	Unquoted :		
	(i) Shares : (a) Equity (b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	

	Long Term investments :			
	1. Quoted :			
	(i) Shares :	(a) Equity		-
		(b) Preference		-
	(ii) Debentures and Bonds			-
	(iii) Units of mutual funds			-
	(iv) Government Securities			-
	(v) Others (please specify)			-
	2. Unquoted :			
	(i) Shares :	(a) Equity	1100.00	
		(b) Preference		-
	(ii) Debentures and Bonds			-
	(iii) Units of mutual funds			-
	(iv) Government Securities			-
	(v) Others (please specify)			-
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above :			
	Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	743.18	743.18
	(c) Other related parties	-	-	-
	2. Other than related parties	-	15211.34	15211.34
	Total	-	15954.52	15954.52
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Please see note 3 below			
	Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)
	1. Related Parties **			
	(a) Subsidiaries	-		-
	(b) Companies in the same Group	1100.00		1100.00
	(c) Other related parties	-		-
	2. Other than related parties	-		-
	Total	1100.00		1100.00

** As per Accounting Standard of ICAI (Please see Note 3)

(7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
(a)	Related parties	-
(b)	Other than related parties	-
(ii)	Net Non-Performing Assets	
(a)	Related parties	-
(b)	Other than related parties	-
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above