



26th ANNUAL REPORT 2012 - 2013

With The Right Company There is Only One Way

To Go



Up

◆ **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.

AJCON GLOBAL SERVICES LIMITED

CORPORATE INFORMATION

An ISO 9001:2008 Registered Company

BOARD OF DIRECTORS

- ❖ CA Ashok 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

- ❖ Bhatler & Co.
Chartered Accountants
Mumbai

Chief Financial Officer (CFO)

CA Ashok Ajmera-Managing Director

COMPLIANCE & PRINCIPAL OFFICERS

Ankit Ajmera - Executive Director
Shailendra Pathak - Company Secretary

COMPANY SECRETARY

CS Shailendra Pathak

Demat ISIN No.

INE759C01019

Investor Grievance Email

investorgrievance@ajcon.net

Web Sites

www.ajcononline.com / www.pyarapaisa.com

BANKERS

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

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

REGD. OFFICE :

101, Samarth, Off. Hinduja Hosp., 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai - 400016. India.
Tel : 022 - 2446 0335 / 36 / 40 Fax : 91 22 2446 0339

CORRESPONDENCE & CORPORATE OFFICE :

408, Express Zone, A Wing, Cello –Sonal Realty, Western Express Highway, Malad (East), Mumbai - 400063.
Tel : 022 - 67160400 / 28722061. Email : ajcon@ajcon.net

CITY OFFICE :

904, Raheja Centre, Plot No 214, Free Press Journal Marg, Nariman Point, Mumbai - 400021.
Tel : 022 - 66551960 Email : mbd@ajcon.net, cag@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 Sixth** Annual General Meeting of the Members of **Ajcon Global Services Limited** will be held at **408, A-Wing, Express Zone, Cello-Sonal Realty, Near Oberoi Mall on Western Express Highway, Malad (E), Mumbai-400063** on **Wednesday 14th August 2013 at 11 a.m.** to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the statement of Profit & Loss for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajendra Bakiwala who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint 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.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modifications the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended and pursuant to Article 102 of Articles of Association of the Company and subject to the approval of the Central Government and/ or any statutory authority, if applicable, the consent of the Company be and is hereby accorded to the appointment of Mr. Anuj Ajmera as an Executive Director of the Company for a period of 5 (Five) years with effect from 1st April, 2013 on such remuneration and terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting.”

“RESOLVED FURTHER THAT the Board or remuneration committee of the Board be and is hereby authorized to increase, vary or amend the remuneration and other terms of his appointment from time to time, as may be permitted or authorized in accordance with the provisions of the Companies Act, 1956 read with schedule XIII thereto and/ or rules and regulations framed there under or any statutory modification or re-enactment thereof or amendment thereto.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all necessary steps including filing of necessary applications, forms, letters with Registrar of Companies, Mumbai and/ or any other authority to give effect to the above resolution.”

5. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 31 of the Companies Act, 1956, existing article 77 (1) of the Articles of Association of the Company be substituted by the following:

The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be decided by the Board of Directors from time to time and should not exceed ₹ 20,000/- (Rupees Twenty thousand only) or such fees that may be prescribed by the Central Government under the proviso to section 310 of the Companies Act 1956. In addition, subject to the provision of section 309 of the Act, all the Directors may receive a commission up to three (3%) on the net profit of the Company as computed under the provisions of the Companies Act, 1956 and such commission shall be divided amongst them equally or as the Directors may determine. The Directors may waive or reduce their fee for any meeting or period.

6. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) of the Companies Act 1956 read with Director's Relative (Office or Place of Profit) Rule, 2011 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof for the time being in force, the consent of the members of the Company be and is hereby accorded for revision in the remuneration, perquisites and other allowances payable to Mrs. Pallavi Ajmera Sr. Vice-President (Merchant Banking Division) of the Company being a relative of directors of the Company w.e.f. 01st April 2013 as detailed below.

- a) Basic Salary not exceeding ₹ 100,000/- (Rupees One Lac Only) per month.
- b) Telephone: Mobile/Telephone facility as per the Company's rule.
- c) Leave encashment as per the rule of the Company.
- d) Provident Fund: Company's Contribution towards Provident Fund shall be as per the rules of the Company.
- e) She shall be entitled to receive ₹ 15,000/- P.A. as medical reimbursement subject to submission of Medical bills.
- f) House Rent Allowance: To the extent of actual rent payable by her or in case of owned house, a sum not exceeding 50% of the salary.
- g) She shall be entitled to maintain a car at the expense of the company to be used for official purposes.
- h) Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per the rules of the Company.
- i) Any other allowance as per the Company's rule.

"RESOLVED FURTHER THAT the Board of Directors or Committee of the Board of Directors of the Company has the liberty to alter and vary such remuneration up to maximum limit as may be prescribed from time to time, pursuant to the provision of Section 314(1B) of the Companies Act without requiring any fresh approval of the shareholders of the Company, to effect change in designation and responsibilities of Mrs. Pallavi Ajmera.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to seek the necessary approvals as may be required in the matter and to make, sign and execute on behalf of the Company the requisite documents as may be required and to do all such acts, deeds and things as may be required, considered necessary or incidental for giving effect to the resolution."

7. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), including any statutory modification or re-enactment thereof for the time being in force, the Company hereby accords its consent to Mrs. Shikha Ajmera, who is a relative of Directors of the Company holding and continuing to hold an office or place of profit as Vice-President HR & Admin w.e.f. 1st May, 2013 as details below:-

- a) Basic Salary not exceeding ₹ 75,000/- (Rs. Seventy Five Thousand Only) per month.
- b) Telephone: Mobile/Telephone facility as per the Company's rule.
- c) Leave encashment as per the rule of the Company.

- d) Provident Fund: Company's Contribution towards Provident Fund shall be as per the rules of the Company.
- e) She shall be entitled to receive ₹ 15,000/- P.A. as medical reimbursement subject to submission of Medical bills.
- f) House Rent Allowance: To the extent of actual rent payable by her or in case of owned house, a sum not exceeding 50% of the salary.
- g) She shall be entitled to maintain a car at the expense of the company to be used for official purposes.
- h) Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per the rules of the Company.
- i) Any other allowance as per the Company's rule.

"RESOLVED FURTHER THAT the Board of Directors or Committee of the Board of Directors of the Company has the liberty to alter and vary such remuneration up to maximum limit as may be prescribed from time to time, pursuant to the provision of Section 314(1B) of the Companies Act without requiring any fresh approval of the shareholders of the Company, to effect change in designation and responsibilities of Mrs. Shikha Ajmera.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby be and are hereby severally authorized to seek the necessary approvals as may be required in the matter and to make, sign and execute on behalf of the Company the requisite documents as may be required and to do all such acts, deeds and things as may be required, considered necessary or incidental for giving effect to the resolution."

Mumbai
24.05.2013

By Order of the Board

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

(Ashok Ajmera)
Chairman & Managing Director

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 14th August, 2013.
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 **12.08.2013 to 14.08.2013** (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. Dividend for the financial year 31st March, 2008, which remains unclaimed or unpaid, will be due for transfer to the investor Education and protection fund of the Central Govt., pursuant to the provisions of section 205C of the Companies Act, 1956 on 26th February, 2015. Members, who have not yet encashed their dividend warrants, are requested to lodge their claims with the Company/ Big share Services Pvt. Ltd. without any delay. Members advised that no claims shall lie against the said fund or against the Company for the amounts of dividend so transferred to the said fund.
9. Shareholders who are still holding physical share certificate(s) are advised to dematerialized their shareholding to avail the benefits of dematerialization.
10. **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 to update their e-mail address and register the same with Bigshare Services Private Limited.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.4

At the Meeting of the Remuneration/Compensation Committee and Board of Directors of the Company both held on 15.02.2013, Mr. Anuj Ajmera was re-appointed as an Executive Director of the Company. The terms and conditions and remuneration relating to his re-appointment as an Executive Director of the Company are set out below and are subject to the approval of the Shareholders of the Company, Central Government and/or any other statutory authority, if applicable, as required under Section 269 read with Schedule XIII to the Companies Act, 1956. The Principal terms and conditions are:

1. Period of Appointment: The re-appointment shall be effective from 01.04.2013 and shall extend to a period of five years.
2. Remuneration:
 - a) Salary: ₹ 1,00,000/- (Rupees One Lac Only) per month with such annual increments as may be decided by the Board, not exceeding a sum of ₹ 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) per month during the tenure of his appointment.
 - b) Perquisites/Allowance: Not exceeding the monthly salary. In addition to the salary, the following perquisites shall be paid to Mr. Anuj Ajmera:
 - (i) House Rent Allowance: To the extent of actual rent payable by him or in case of owned house, a sum not exceeding 50% of the salary.
 - (ii) Medical Expenses: Reimbursement of medical expenses including hospitalizing and surgical charges of self and family, or direct payment by the Company against actual medical bills, receipts and/or cash memos up to a total of 8.33% of basic annual salary.
 - (iii) Leave Travel Assistance: Entitlement for Leave Travel Assistance for self and family equivalent to one month's basic salary.
 - (iv) Medical Policy: Coverage under the Company's Group Medclaim Policy and Personal Accident Insurance Policy for which the entire premium will be paid by the Company. The premium under this head shall not exceed ₹ 15,000/- per annum.
 - (v) Club Fees: Entitlement for reimbursement of fees and expenses for membership of two clubs other than life membership fees.
 - (vi) Leave: Leave with full pay or encashment, as per the rules of the Company.
 - (vii) Provident Fund, Superannuation Fund and Annuity Fund: Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund shall be as per the Schemes of the Company to the extent these, either singly or put together, do not exceeds 27% of the consolidated salary as not taxable under the Income Tax Act, 1961, or any amendments thereto.
 - (viii) Gratuity: Entitlement to gratuity equivalent to half month's salary for each completed year of service as per the rules of the Gratuity Scheme in operation for the Management Group Personnel.
 - c) Amenities :
 - (i) Provision of Car: The Company shall provide car(s) with chauffeur for official as well as personal purpose.
 - (ii) Communication Facilities: Telephone/Telefax/Cell phone and other suitable communication facilities at residence.
 - d) Minimum Remuneration

In case of loss or inadequacy of profits in any financial year during the currency of tenure of services, payment of salary and perquisites and other allowances stated herein shall be paid as minimum remuneration for that year, subject however to the extent allowed under the relevant provisions of Companies Act, 1956.

3. Other Terms and Conditions:

- a) As long as Mr. Anuj Ajmera functions as an Executive Director of the Company, no sitting fees will be paid to him for attending meetings of the Board of Directors or Committee thereof.
- b) Mr. Anuj Ajmera shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the rules and regulations of the Company or as approved by the Board of Directors.
- c) Mr. Anuj Ajmera shall not retire by rotation while he continues to hold office. However, upon termination of the Agreement, he shall cease to be the Executive Director of the Company.
- d) As long as Mr. Anuj Ajmera functions as an Executive Director, he shall not be interested or otherwise concerned directly or through his spouse or minor child in any selling agency of the Company in future without the prior approval of the Central Government.
- e) Mr. Anuj Ajmera shall not during the continuation of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company, any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secrets processes of the Company and shall use his best endeavors to prevent any other person from doing so. However, such divulgence or disclosure by him to officers and employee of the Company for the purpose of business of the Company shall not be deemed to be a contravention of this clause.
- f) The Company or Mr. Anuj Ajmera shall be entitled to terminate the Agreement by giving to the other party 180 days notice in writing.

In compliance with the provisions of Section 269, 309 and other applicable provisions of the Companies Act, 1956, the terms and conditions relating to the reappointment and remuneration of Mr. Anuj Ajmera specified above are placed before the Shareholders in the general meeting for their approval.

As required under Section 302 of the Companies Act, 1956, an abstract of the terms & conditions of the re-appointment of Mr. Anuj Ajmera, as an Executive Director and Memorandum of Concern or interest of the directors has already being sent to all the shareholders.

The Directors recommend the Resolution set out at item No. 4 of the Notice for approval of the Shareholders.

Mr. Anuj Ajmera is concerned or interested in the Resolution as it relates to his own reappointment and remuneration. Mr. Ashok Ajmera and Mr. Ankit Ajmera being relative of Mr. Anuj Ajmera are also concerned or interested. Save as aforesaid, none of the other Directors, in any way, concerned or interested in the said resolution.

ITEM NO.5

Existing article 77(1) provides for payment of sitting fees of ₹ 1,000/- to each director for attending every meeting of the Board of Directors, which needs to be enhanced to a suitable limit.

Under the provisions of Section 310 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988 the Central Government is empowered to prescribe the maximum amount that can be paid as sitting fees to each Director for every meeting of Board of Directors or committee thereof attended by him.

In view of aforesaid it is necessary to substitute the existing Article 77(1) of the Article of Association of the Company of the Company to enable the Board of Directors to increase the sitting fees payable to the directors within the prescribed limits, by passing a special resolution required under the provision of section 31 of the Companies Act, 1956.

The Directors recommend the special resolution set out at the item 5 of the notice for your approval. Copy of the Article of Association of the Company is available for inspection by the members of the Company at the Corporate Office during normal working hours.

All the Non Executive Independent Directors for the time being would be deemed to be interested in passing of the relevant Resolutions.

ITEM NO.6

Mrs. Pallavi Ajmera being a relative of Directors of the Company was appointed as Sr. Vice President (Merchant Banking Division) in the Board Meeting held on 30th May, 2012, an office of profit at a monthly remuneration of ₹ 47,500/- per month. Mrs. Pallavi Ajmera is Chartered Accountant and having good academic records. Mrs. Pallavi Ajmera was previously associated with DSP Merrill Lynch and ICICI Bank Limited and having 12 years of experience in the field of loan syndication and Investment Banking activities.

Since she has been actively involved in promoting the business of the company and contributed greatly in the growth of company and now with the expansion of business her responsibilities have increased many fold, it is only natural to pay her according to the responsibilities she is handling, hence the Board of Directors in its meeting held on 24th May, 2013 has decided to increase her remuneration as mentioned in the Resolution above, subject to the approval of members in the ensuing Annual General Meeting.

As per Section 314 of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules, 2011, a relative of a director can be appointed at a place of profit's under the Company, with consent of Board and Shareholders of the Company by passing special resolution, if Monthly remuneration payable to her does not exceed ₹ 2,50,000/- per month.

Accordingly, the resolution mentioned in Item No. 6 of the notice is being proposed for approval.

Mr. Ashok Ajmera, Mr. Ankit Ajmera and Mr. Anuj Ajmera, being relatives of Mrs. Pallavi Ajmera are concerned or interested. Save as aforesaid, none of the other Directors, in any way, concerned or interested in the said resolution.

ITEM NO.7

At the Meeting of the Remuneration/Compensation Committee and Board of Directors of the Company both held on 24th day of May, 2013 was appointed Mrs. Shikha Ajmera as a Vice-President HR & Admin w.e.f. 1st day of May, 2013 subject to the approval of member at ensuing Annual General Meeting. Mrs. Shikha Ajmera is a MBA and possesses good experience in managing affairs of the Company. She shall be Vice-President HR & Admin of the Company and will be responsible for the all the affairs of HR& Admin Department.

As per Section 314 of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules, 2011, a relative of a director can be appointed at a place of profit's under the Company, with consent of Board and Shareholders of the Company by passing special resolution, if Monthly remuneration payable to her does not exceed ₹ 2,50,000/- per month.

Accordingly, the resolution mentioned in Item No. 7 of the notice is being proposed for approval.

Mr. Ashok Ajmera, Mr. Ankit Ajmera and Mr. Anuj Ajmera, being relatives of Mrs. Shikha Ajmera are concerned or interested. Save as aforesaid, none of the other Directors, in any way, concerned or interested in the said resolution.

**Mumbai
24.05.2013**

By Order of the Board

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

**(Ashok Ajmera)
Chairman & Managing Director**

DIRECTORS' REPORT

To

The Members,

Your Directors have great pleasure in presenting the Twenty Sixth Annual Report and the Audited Accounts of your Company for the year ended 31st March 2013.

FINANCIAL RESULTS

	Year Ended 31.03.2013 (₹ '000)	Year Ended 31.03.2012 (₹ '000)
Income from Operations and Other Income	66,501.65	85,971.66
Profit before Interest & Depreciation	20,125.63	22,796.96
Less: Interest & Bank charges	5,649.28	6,643.23
Less: Depreciation	4,003.63	3,569.64
Profit before Tax	10,472.72	12,584.09
Less: Provision for Taxation	3,650.00	3,700.00
Profit after Tax	6,822.72	8,884.09
Less: Deferred Tax Expenses/(Savings)	(139.04)	(1,224.84)
Net Profit	6,961.76	10,108.93
Add: Surplus brought forward	33,878.30	23,769.44
Balance carried to Balance Sheet	40,840.06	33,878.30

OPERATIONS

The operations of the Company for the year under review have resulted in the gross profit of ₹ 20,125.63 thousand as against ₹ 22,796.96 thousand in the previous year. After providing for interest, depreciation and taxes, the Company has recorded a net profit of ₹ 6,961.76 thousand as against ₹ 10,108.93 thousand in the previous year. The gross revenue stood at ₹ 66,501.65 thousand as against ₹ 85,971.66 thousand during the previous year.

The year 2012-13, remained a challenging year both from domestic and global scenario. While the European financial crisis continued for this year, the domestic economy also suffered due to high inflation and uncontrolled fiscal deficit. The uncertain political scenario coupled with the scams & corruption cases in the Country also affected the sentiments in the markets. However, due to prudent management policies, changing the product mix and by focusing more on fee based services, your Company's performance remained reasonably good.

During the year, the Company has taken membership of MCX-SX, to enable the clients to trade in Equity-Cash & F&O Segments of this new Stock Exchange of the Country.

FUTURE OUTLOOK

Prospect of likely normal monsoon – This should help boost growth, rural incomes and help in moderating stubborn food inflation. As per the forecast of Indian Meteorological Department, monsoon is expected to be 98.0% of the long-term average during the June-Sept season of FY14. It may, however, be noted that the actual agricultural output depends not only on the total quantum of rainfall during the season but also on the spatio-temporal distribution.

Recent big crash in gold & crude oil prices- In average terms, crude oil prices have fallen by 11.4% & gold prices by 10.0% in y-o-y terms. As India is a large importer of both these commodities, a sharp fall in their prices means lower inflation, lower current account deficit and faster interest rate cuts.