

## BOARD'S REPORT

To

**The Members,**

Your Directors have great pleasure in presenting the 32<sup>nd</sup> Annual Report and the Company's audited financial statement for the financial year ended 31<sup>st</sup> March, 2019.

**FINANCIAL RESULTS**

(₹ in '000)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
Income from Operations and Other Income	49,688.98	57,879.76	69,850.26	82,896.95
Profit before Interest & Depreciation	7,167.13	11,560.39	21,540.74	27,116.40
Less: Interest & Bank charges	5,417.52	5,207.29	17,997.87	15,098.28
Less: Depreciation	1,957.25	2,287.01	1,957.25	2,403.65
Profit before Tax	(207.64)	4,066.09	1,585.62	9,614.47
Less: Provision for Taxation	-	1,128.90	239.59	2,439.84
Less: Deferred Tax Expenses/(Savings)	(239.11)	(195.29)	(238.43)	(197.84)
Less: Short / (Excess) Tax Provision of Tax in Earlier Years	3.55	-	12.79	-
Profit after Tax Carried to Balance Sheet	27.91	3,132.48	1,204.80	7,087.29
Surplus brought forward	57,930.87	54,798.39	59,988.18	53,119.80
<b>Balance carried to Balance Sheet</b>	<b>57,958.79</b>	<b>57,930.87</b>	<b>60,911.38</b>	<b>59,988.18</b>

**OPERATIONS****Standalone**

The operations of the Company for the year under review have resulted in the gross profit of ₹ 7,167.13 thousands as against ₹ 11,560.39 thousands in the previous year. After providing for interest, depreciation and taxes, the Company has recorded a net profit of ₹ 27.91 thousands as against ₹ 3,132.48 thousand in the previous year. The gross revenue stood at ₹ 49,688.98 thousand as against ₹ 57,879.76 thousand during the previous year.

**Consolidated**

The operations of the Company for the year under review have resulted in the gross profit of ₹ 21,540.74 thousands as against ₹ 27,116.40 thousands in the previous year. After providing for interest, depreciation and taxes, the Company has recorded a net profit of ₹ 1,204.80 thousands as against ₹ 7,087.29 thousand in the previous year. The gross revenue stood at ₹ 69,850.26 thousand as against ₹ 82,896.95 thousand during the previous year.

**DIVIDEND**

In order to conserve the resources for working capital needs, your Directors do not recommend any dividend.

**SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2019 was ₹6,11,62,000 divided into 61,16,200 equity shares of ₹ 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 (“the Act”) and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

**SUBSIDIARY COMPANIES**

The Company has three subsidiaries as on March 31, 2019. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”). There has been no material change in the nature of the business of the subsidiaries.

A separate statement containing the salient features of the financial statements of all the subsidiary companies of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of the subsidiary companies and all other documents required to be attached to this report have been uploaded on the website of your Company ([www.ajcononline.com](http://www.ajcononline.com)).

The financial performance of the subsidiary companies included in the consolidated financial statements of your Company is set out in the note No. 36 of the Notes to Accounts in Consolidated Financial Statements.

**PUBLIC DEPOSITS**

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

The details of Loan, Guarantees and investment covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

**CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet. Therefore Company has not constituted a Corporate Social Responsibility Committee. The provisions of a Corporate Social Responsibility shall be complied by the Company as and when applicable.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31<sup>st</sup> MARCH, 2019 AND 08<sup>th</sup> AUGUST, 2019 (date of Report).**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31<sup>st</sup> March, 2019) and the date of the Report (08<sup>th</sup> August, 2019).

**DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL**

The Board has, on the recommendation of the Nomination & Remuneration Committee of the Company framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The salient aspects of the said policy, covering in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report of the Company which forms part of this Report.

The Managing Director and Whole-Time Directors of the Company do not receive any remuneration from any of the subsidiary companies of the Company.

**PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES**

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - A.

In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are available with the Company. In terms of provisions of Section 136(1) of the Act, this report is being sent to the members without this annexure. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary of the Company and the same will be furnished on request.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****a) Appointments & Reappointments**

In accordance with the provisions of Companies Act, 2013 Mr. Anuj Ashok Ajmera (DIN: 01838428), Executive Director retires by rotation and being eligible has offered himself for re-appointment.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting.

**b) Key Managerial Personnel**

Mr. Ashok Ajmera, Chairman, Managing Director & CEO, Mr. Ankit Ajmera, Whole -Time Director & CFO, Mr. Anuj Ajmera, Whole -Time Director and Mr. Shailendra Pathak, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS**

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The confirmations were placed before and noted by the Board.

**ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

Pursuant to the provisions of companies Act, 2013 and in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholder Relationship Committee and Risk Management Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture,

execution and performance of specific duties, obligations and governance. During the year under review, the Independent Directors of your Company carried out the performance evaluation of Non- Independent Directors and Chairperson at a separate meeting of Independent Director.

The directors expressed their satisfaction with the evaluation process.

#### **FAMILIARISATION PROGRAMME**

Whenever any person joins the Board of the Company as a Director, an induction program is arranged for the new appointee, wherein the appointee is familiarized with the Company, his/her roles, rights and responsibilities in the Company, the Code of Conduct of the Company to be adhered, nature of the industry in which the Company operates, and business model of the Company.

The detail of such familiarization programs has been disclosed on the Company's website at [www.ajcononline.com](http://www.ajcononline.com).

#### **BUSINESS RISK MANAGEMENT**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adhered to the principles of sound risk management and has a Risk Management Policy in Place.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter-alia are Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has a whistle blower policy in place for its Directors and Employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board. The Whistle Blower Policy is available on the website of the Company i.e [www.ajcononline.com](http://www.ajcononline.com).

During the year, under review, the Company did not receive any compliant under the said Mechanism.

#### **BOARD COMMITTEES**

The Board of Directors has constituted four committees, viz;

- a) Audit Committee

- b) Nomination and Remuneration Committee
- c) Stakeholder's Relationship Committee
- d) Risk Management Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in Report on Corporate Governance.

#### **BOARD MEETINGS**

During the year four Board Meetings and one Separate Meeting of Independent Directors was held. The details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between the two meetings.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section on 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirms that:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

All Related Party Transactions are placed before the Audit Committee & Board for their approval.

The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website <http://www.ajcononline.com/policies.asp> None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **AUDITORS**

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Chaturvedi Sohan & Co., Chartered Accountant (Firm Registration No. 118424W) were appointed as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company.

The requirement of seeking ratification of the members for continuance of Statutory Auditors appointment has been withdrawn consequent to changes in the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting. The Statutory Auditor has confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of Statutory Auditor.

**Statutory Audit and other fees paid to Statutory Auditors:**

During FY 2018-19, the total fees for the statutory audit and other services rendered by the Statutory Auditors are given below:

<b>Auditors' Remuneration</b>	₹ in '000'	
Particulars	FY2018-19	FY 2017-18
Audit Fees	80.00	60.00
Tax Audit Fees	10.00	10.00
Total	90.00	70.00

**AUDITORS' REPORT**

Auditor Report forms part of this report. There are no qualifications, reservations or adverse marks made by M/s. Chaturvedi Sohan & Co., Statutory Auditor's, in their report for the financial year ended 31<sup>st</sup> March, 2019. Hence, the report is self-explanatory.

**SECRETARIAL & INTERNAL AUDITOR**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s. Kothari H. & Associates, Company Secretary in Practice, Mumbai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2019.

The Secretarial Audit Report (in Form No. MR. 3) is attached as "**Annexure- B**" to this Report.

M/s Atul Donde & Co., Chartered Accountants, Mumbai have conducted the internal audit periodically and submitted their reports to the Audit Committee and their reports were reviewed by Audit Committee from time to time and found to be satisfactory.

**REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS**

The reports on Corporate Governance and Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Report. The certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Report on Corporate Governance.

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

The prescribed particulars of conservation of energy, technology absorption as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable to your company as we are neither a manufacturing company nor the operation of your Company are energy intensive. However, the disclosure regarding the same are set-forth below:

- a) Conservation of Energy: Adequate measure has been taken for conservation of energy and efficient use of resources. Company follows principles of "Green IT".
- b) Technology Absorption: The Company is vigil on technology absorption as per the requirement of its business operations. However, during the year there was no acquisition of new technology.
- c) Foreign Exchange Earning & Outgo: During the year foreign exchange earnings were NIL (P.Y. ₹ Nil). The expenditure in foreign currency amounted to ₹ 305.16 thousand (P.Y. ₹ 855.79 thousands).

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT- 9 is annexed herewith as "**Annexure -C**".

**TRANSFER OF EQUITY SHARES/DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF).**

Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. During the year, the Company was not required to transferred the unpaid or unclaimed dividends/shares to the Investor Education and Protection Fund (IEPF) established by the Central Government since the Company has not declared any dividend in the financial year 2010-11.

The Company has also uploaded the details of the shareholders whose shares/dividend were transferred to IEPF on its website viz., [www.ajcononline.com](http://www.ajcononline.com)

Claim from IEPF Authority Members/Claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in e-Form IEPF- 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the IEPF Authority from time to time. The Member/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of the dividend/shares so transferred

**CREDIT RATING**

ACUITE Ratings & Research Limited (Acuite) – credit rating agency, has assigned following credit ratings to the Company:

Total Bank facilities Rated	Rs. 9.95 Cr.
Long Term Rating	ACUITE B+/ Outlook:Stable
Short Term Rating	ACUITE A4

**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.

**DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Your Directors further state that as on date there is no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

**ACKNOWLEDGEMENTS.**

Your Directors wish to place on record their thanks and gratitude to Company's bankers, clients and customers, Regulators, Exchanges 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 executives and staffs at all the levels and hopes that they would continue their dedicated efforts in the future also.

**By Order of the Board**

**Place: Mumbai**  
**Date: 08.08.2019**

**Ashok Ajmera**  
**Chairman & Managing Director**  
**DIN: 00812092**