



Delivering World-Class IT Solutions

19th Annual Report

2012 - 2013

Ajel Limited

ajel.in

Our Philosophy

**“ To harness the power of information,
knowledge & technology to empower livelihood.”**

NINETEENTH ANNUAL REPORT

2012-2013

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CORPORATE INFORMATION

BOARD AND COMMITTEES

Board of Directors

1. Mr. Srinivasa Reddy Arikatla	-	Chairman and Managing Director
2. Mr. Vijay Sanatbhai Chokshi	-	Whole Time Director
3. Mr. Darshan Dhrupadlal Majmudar	-	Director
4. Mr. Mahender Reddy Musuku	-	Director
5. Mr. Amara Reddy Jadda	-	Director
6. Ms. Vasantha Madasu	-	Director

Ms. Padma Loya - Company Secretary

Board Committees

1. Audit Committee

Mr. Vijay Sanatbhai Chokshi
 Mr. Darshan Dhrupadlal Majmudar
 Mr. Amara Reddy Jadda

2. Remuneration Committee

Ms. Vasantha Madasu
 Mr. Darshan Dhrupadlal Majmudar
 Mr. Amara Reddy Jadda

3. Shareholders/Investor Grievance and Share Transfer Committee

Mr. Srinivasa Reddy Arikatla
 Mr. Amara Reddy Jadda
 Mr. Darshan Dhrupadlal Majmudar

Management Team

Mr. Pavan Kumar Susarla – Vice President Operations
 Mr. Venu Madhav Moola -- Delivery Head - IT Solution

REGISTERED OFFICE:

106, 2nd Floor, Link Plaza Commercial Complex,
New Link Road, Jogeshwari, Mumbai 400102

BRANCH OFFICE:

Hyderabad

Plot No.36,
Shipi Valley,
Madhapur,
Hyderabad - 500 081
Andhra Pradesh

Bengaluru

420, 1st Floor
9th Main Rd
Banashankari
2nd Stage
Bengaluru - 560 070
Karnataka

U.S.A.

45 Brunswick Avenue
Suite# 222
Edison
NJ - 08817

STATUTORY AUDITORS

M/s. Boppudi & Associates
Chartered Accountants,
301, Sairam Suman Residency,
1-1-541, Gandhi Nagar,
Hyderabad - 500 080.

BANKERS

- 1) Syndicate Bank
- 2) Axis Bank
- 3) Lakshmi Vilas Bank

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting (AGM) of the Members of Ajel Limited will be held on Thursday, August 1st, 2013 at 10.00 AM at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai 400053, Maharashtra to transact the following business.

ORDINARY BUSINESS:**Item No: 1 Adoption of Accounts**

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, the Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

Item No: 2 Re-appointment of Mr. Darshan Dhrupadlal Mujmudar

To appoint a Director in place of Mr. Darshan Dhrupadlal Mujmudar, who retires by rotation and being eligible, seeks re-appointment.

Item No: 3- Re-appointment of Mr. Mahender Reddy Musuku

To appoint a Director in place of Mr. Mahender Reddy Musuku, who retires by rotation and being eligible, seeks re-appointment

Item No: 4- Appointment of Statutory Auditors

To re-appoint M/s. Boppudi & Associates, Chartered Accountants, Hyderabad, to hold office of Statutory Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, and to consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution

“RESOLVED THAT pursuant to section 224(2) and other applicable provisions, if any, of the Companies Act 1956, M/s. Boppudi & Associates., Chartered Accountants, Hyderabad be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board Directors of the Company.”

Place : Hyderabad

Date : 17.06.2013

By Order of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. Members/proxies should bring duly filled Attendance Slip sent herewith, to attend the meeting.
3. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
4. The Registrar of Contracts, maintained under section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 30th July 2013 to 01st August 2013 (both days inclusive).
6. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to the Company. Such Changes intimated will then be reflected in the Company's records which will help the Company to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company.
7. Consequent up on introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Individual shareholder(s) can avail of the facility of nomination by sending their requests in Form 2B, (which will be made available on request to the Shareholder/Investor Grievance and Share Transfer Committee of the Company or by mailing the request to investors@ajel.com)
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting. The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to shareholders electronically as part of its Green Initiatives in Corporate Governance. We request you to update your email address with the depository participant to ensure that the Annual Report and other documents reach you on your preferred email account.
9. Members are requested to note that the Company's Equity Shares are compulsorily traded in demat form for the investors, effective from 26th March 2001. Members are requested to open Depository Account in their names with a Depository participant to dematerialize their holdings. This would be necessary for facilitating the transfers of Company's Equity shares in all Stock Exchanges connected to the Depository System.
10. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.

Place : Hyderabad

Date : 17.06.2013

By Order of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Chairman & Managing Director

Details of Directors seeking appointment/re-appointment/retiring by rotation and seeking re-appointment:

(In pursuance of Clause 49 of the Listing Agreement)

NAME OF DIRECTOR	Mr. Darshan Dhrupadlal Majmudar	Mr. Mahender Reddy Musuku
Date of Birth	07-06-1961	12-06-1971
Date of Appointment	17-02-1994	07-07-2010
Expertise in Specific Functional Area	Expert in Company Laws, Finance & Taxation	Expert in Technical Planning and Analysis
Qualifications	Chartered Accountant and Company Secretary	B.Tech., P.G.D.C.A.
List of other Companies in which directorships is held as on 31.03.2013	NIL	NIL
Equity Shares held in the Company	NIL	NIL
Relationship between directors <i>inter-se</i>	NIL	NIL

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report of the company on the Business and Operations of the Company, together with the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

The Standalone Financial Results of the Company for the financial year ended March 31, 2013, is summarized below.

PARTICULARS	(Rs. In Lacs)	
	2012-2013	2011-2012
Gross Turnover	910.60	642.43
Other Income	9.20	13.81
Total Income	919.80	656.24
Total Expenditure	766.12	521.87
Profit Before Interest, Depreciation & Tax	153.69	38.14
Profit before Taxes	129.03	21.16
Tax Expenses	50.61	9.83
Profit After Tax	78.42	11.33

REVIEW OF PERFORMANCE

Members will notice that the revenue from Operations climbed by 41.74% to Rs 910.60 Lacs from Rs. 642.43 Lacs of previous year. The Total Income also increased to Rs 919.80 Lacs from Rs. 656.24 Lacs of Previous year.

The Profit after Tax, for the year under review, increased to Rs.78.42 Lacs as against Rs. 11.33 Lacs of Previous Year.

The Company has identified new avenues for growth and is focusing its energies to develop business. The Company is continuously striving to improve efficiency and deliver excellence in project execution. The huge increase in turnover, is a testimony to the strength of your Company's technical competence and execution capabilities.

DIVIDEND:

Keeping the company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

TRANSFER TO RESEVES:

No profits are intended to be transferred to reserves during the year.

SHARE CAPITAL

The authorised share capital of the company as on March 31, 2013 is Rs. 12,00,00,000/- divided into 1,20,00,000 Equity shares of Rs. 10/- each.

Issued, subscribed and paid up capital of the company as on March 31, 2013 is Rs. 10,75,00,000/- divided into 1,07,50,000 Equity shares of Rs. 10 (Rupees Ten) each

DIRECTORS***Re-Appointment :***

Approval of the shareholders is being sought for the Re-appointment of Mr Darshan Dhruपालल Majmudar and Mr. Mahender Reddy Musuku, Directors of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment in accordance with the provisions of the Companies Act, 1956 and pursuant to Articles of Association of the Company.

Profile of Directors who are retiring and offers re-appointment at this Annual General Meeting is furnished in the Corporate Governance Report.

Resignations :

- (i) Mr Bharat Champaklal Sutaria, Chairman has resigned from his office at the Board meeting held on 29th August 2012
- (ii) Mr. Arikatla Venkateswarlu, Director has resigned from his office at the Board meeting held on 29th August 2012

The Board placed on record its sincere appreciation for the services rendered by Mr Bharat Champaklal Sutaria and Mr. Arikatla Venkateswarlu during their tenure as directors of the company.

Change in designations :

Mr. Srinivasa Reddy Arikatla was appointed as Chairman of the Company and was re-designated as Chairman and Managing Director at the Board meeting held on 29th August 2012.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

In pursuance of Section 217(2AA) of the Companies Amendment Act, 1956 your directors confirm

- i) That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) That the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on the going concern basis.

CORPORATE GOVERNANCE

Ajel has always been devoted to adopting and adhering to the best corporate governance practices recognized globally. The company understands and respects its fiduciary role and responsibility towards stakeholders and the society at large, and strives hard to serve their interest, resulting in creation of value and wealth for all stakeholders.

The Compliance Report on Corporate Governance and a Certificate from Auditor of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of Listing Agreement is annexed separately to this Annual report.

Certificate of the CEO/CFO, inter alia confirming the correctness of the financial statement, compliance with Company's Code of Conduct, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis forms part of the Annual Report.

SUBSIDIARIES

We have one wholly owned subsidiary namely Ajel Technologies India Private Limited at Hyderabad, and said subsidiary company has its wholly owned subsidiary namely Ajel Technologies Inc, USA which is a step down subsidiary of our company.

Pursuant to section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2012, has granted General Exemption from attaching Balance Sheet, Profit and Loss Account and other Documents of the Subsidiary Companies with the Annual report of the parent Company. Accordingly the company has availed an exemption from attaching the Balance Sheet, Profit and Loss Account and other Documents of the Subsidiary Companies.

A statement containing brief particulars of the subsidiaries for the Financial Year ended 31.03.2013 is annexed. The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office of the holding company and of the subsidiary companies concerned.

BRANCHES

The Company has three branches at HYDERABAD, MUMBAI and NEW JERSEY - USA which are fully equipped and operating actively.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Clause 32 of the Listing Agreement entered into with the Stock Exchanges by the Company and in compliance with the Accounting Standards AS -21 and AS - 27 on consolidated financial statements, read with the Accounting Standard AS - 23 on Accounting for investments in Associates, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2013, which form a part of this Annual Report.

AUDITORS

The auditors M/s . Boppudi & Associates., Chartered Accountants, retire at the ensuing Annual General Meeting and have expressed their willingness for re-appointment.

The Board recommends the re-appointment of M/s. Boppudi & Associates, Chartered Accountants, as Statutory Auditors of the Company. The Board has received their offer in writing about their willingness for appointment as Statutory Auditors of the Company along with Certificate under Section 224(1B) of the Companies Act, 1956.

The Board of Directors and the Committees thereof recommend their re-appointment. Appropriate resolutions form part of the Agenda of the Annual General Meeting

PUBLIC DEPOSITS

We have not accepted any deposits from Public and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

ISO 9001:2008

Your Company continues to maintain its Certification as per International Standards ISO 9001:2008 Quality Management System and your Company is fully committed to continually improve upon the implemented QMS

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and any amendments thereof, no employees are drawing remuneration in excess of the prescribed limits.

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

CONSERVATION OF ENERGY

Your Company consumes electricity mainly for the operation of its computers. Though the consumption of electricity is negligible as compared to the turnover of the company, your company has taken effective steps at every stage to reduce consumption of electricity.

TECHNOLOGY ABSORPTION

This is not applicable to your company as it has not purchased or acquired any Technology for development of software from any outside party.

RESEARCH & DEVELOPMENT

Research & Development (R&D) center set-up in Hyderabad has been concentrating in developing services process / system to improve the quality of the service at minimal cost. R&D enhancements, innovative process and systems bring additional value to all our customers. R&D continually concentrate to improve services and processes using the effective quality management system and testing methodology, by implementing changes required to maintain the quality standard.

FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange Earnings : Rs. 11,900,000/-

Foreign Exchange Outgo : NIL

HUMAN RESOURCES MANAGEMENT

Our employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. With vibrant work atmosphere, your Company provides an opportunity to employees to work with New Technologies. Your Company has put in place a Scalable Recruitment and Human Resources Plan, devised to attract and retain high caliber personnel.

Ajel has been fortunate in having a set of committed employees at all levels and looks forward to nurture them and retain their loyalty. The Company recognized the value of the committed workers and efforts are being made to enhance the bonding between the Company and the committed employees.

STATEMENT PURSUANT TO LISTING AGREEMENT

The equity shares of the company are listed with the Bombay Stock Exchange Limited (BSE) and Ahmedabad Stock Exchange (ASE) Limited.

ACKNOWLEDGMENTS:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of Board of Directors

Place: Hyderabad

Sd/-

Sd/-

Date: 17.06.2013

Vijay Sanatbhai Chokshi

Srinivasa Reddy Arikatla

Whole Time Director

Chairman & Managing Director

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

1. INDUSTRIAL OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principals (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs profits and cash flows for the year.

India's IT and related services with exponential growth are a unique export-led success story which has put India on the global map. While India has achieved a brand identity in this sector, other developing countries are trying to emulate India's example. However, the global slowdown has impacted the revenues of the IT-Business Process Management Sector, the growth of which decelerated from 15% in 2011-12 to an estimated 8.4% in 2012-13.

While the global slowdown, increasing competition from new countries and raising protectionist measures in the wake of job losses in developed countries have slightly dimmed the prospects for exports of IT and related services, a great opportunity is waiting in India's domestic market with increasing technology adoption within the government sector and the small and medium business (SMB) sector. The 12th Five year plan aims a harness the potential of the software and services sector to contribute to the country's development and growth, particularly in terms of investment, exports, employment generation and contribution to GDP and retain India's leadership position as a global IT-BPO destination, consolidate and grow in both mature and emerging markets.

2. BUSINESS

2.1 OVERVIEW

Ajel is a global software services company providing consulting, Systems Integration, and outsourcing solutions to clients in key industry vertical worldwide. We integrate expert industry knowledge, process and technology frameworks, strong partnerships, and a global work force to provide strategic solutions that generate sustainable results.

The Company's full services portfolio consists of Consulting, Enterprise Solutions, Application Development and Management, Internet and Emerging Technologies, Information Management, Outsourcing Services and Mobility Solutions.

The company has already ventured into Cloud Computing Solutions and has good number of clients.

2.2 STRATEGY:

The Company's strategy to support longer term growth is to continually extend the core IT services business by expanding its geographic reach, industry coverage and service capabilities and by deepening existing client relationships, building or acquiring emerging businesses and adopting or creating new business models and business solutions strategic partner capable of reliably delivering innovative solutions..

2.3. TECHNOLOGY:

Ajel continues to invest in futuristic areas related to healthcare and life sciences, materials science, computer science and electrical / electronic engineering. The Company's R&D continued to make a difference to its customers and society. Whilst improving quality and efficiency of current offerings, the Company's customer focused technology initiatives have helped its customers prepare for future challenges. Several of the R&D outcomes have now moved into the mainstream business in the form of assets, solutions, frameworks, tools and products.

3. OUTLOOK, RISKS AND CONCERNS.

3.1 OUTLOOK

There are many challenges faced by nearly every industry in today's global marketplace. Ajel has the depth and breadth of experience and expertise that you need to achieve your business goals and succeed amidst the fiercest competition. The uncertainties in the global market, business model redundancy, supply side risks and financial risks are the major threats faced by IT industry.

The Company believes in building and maintaining deep customer relationships and become a trusted business partner to global enterprises. The Company views industry segmentation, customer-centric organisation as an important enabler to achieve such mission. By building business units around groups of key clients in each industry vertical and giving end-to-end sales and delivery responsibility to the business head, the Company can ensure high levels of accountability, superior customer service and intimacy.

In order to strengthen future sustainability of the business model, the Company also believes in pursuing non-linear growth opportunities, which would bring in revenue growth without commensurate growth in headcount.

Non-linearity in the current IT and IT enabled services businesses comes from productivity-enhancing tools, frameworks, solution accelerators and managed services engagements.

The Company's believes in continued investments in technology, process maturity and deep domain expertise so as to result in superior outcome for clients and be recognized by the industry as benchmark in delivery excellence. The Company aims to strengthen Company's newer service offerings such as application development and maintenance, enterprise solutions, IT infrastructure services, engineering and industrial services and asset leveraged solutions. The Company believes to continuously engage in customer focused innovation and launch new offerings that use technology to address its clients' business problems.

3.2 RISKS AND CONCERNS:

The Company has been initiating various risk management programmes to combat strategic, operational and financial as well as compliance-related risks across various levels of the organisation. It includes risk assessment and mitigation at the company level, business / functional unit level, relationship level and project level. The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for appropriateness with the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event driven as well as quarterly basis.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. It has continued its efforts to align all its processes and controls with best practices.

The Company has an audit committee, the details of which have been provided in the corporate governance report. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on the implementation of corrective actions. The committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes in the Company. Safeguarding of assets and their protection against unauthorised use are also a part of these exercises.

Thus, the planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities..

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE-STANDALONE.

Revenues:

The turnover of the Company for 2012-2013 of Rs.919.80 Lacs has grown by 41.74 % over the year, compared to Rs.656.25 Lacs of the Previous Year.

Expenditure:

The Expenditure for 2012-2013 has grown to Rs.790.77 Lacs compared to Rs.635.08 Lacs in 2011-2012. The growth in expenses is to commensurate the growth in turnover. The Company has incurred huge expenditure incurred on account of Employee Benefits and Administration Expenses.

Finance Costs:

During the year under review, the finance costs have reduced to Rs.18.70 from Rs.108.58 of previous year

Personnel Costs:

Personnel Costs increased to Rs.687.53 Lacs as against Rs.521.87 Lacs of previous year, largely due to addition in strength of employees.

Profit After Tax :

The Profit after Tax, for the year under review, increased to Rs.78.42 Lacs as against Rs.11.33 Lacs of Previous Year.

Fixed Assets

The gross Fixed Assets as on 31st March 2013 was Rs.314.65 Lacs as against Rs.219.19 Lacs of Previous year, amounting to an incremental Asset Acquisition of 95.46 Lacs.

DISCUSSION ON FINANCIAL PERFORMANCE - CONSOLIDATED

The Consolidated Turnover of the Company has increased to Rs.5884.15 Lacs for 2012-2013 as against Rs.4050.09 Lacs of Previous year.

Profit after Tax

The Consolidated Profit After Tax for 2012-2013 has increased by Rs.154.46 over the year compared to Rs.117.04 of 2011-2012

6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES.

The Company's innovative human resources management strategies supported its business growth in a challenging environment. The Company's HRD policy focuses on creating an environment where performance is rewarded, individuals are respected and associates get opportunities to realise their potential.

The company's Corporate HRD policy emphasizes on continuous, increased quality and commitment of its employees in order to succeed in the achievement of the corporate goals. The company provides employee development opportunities by conducting training programs to equip the employee with upgraded skills enabling them to adapt to the contemporary technological advancements.

The HRD Team strive for the enhancement of Human Resources Organization , systems, processes and procedures, using the principles of continuous quality improvement that incorporate quality service and excellent performance standards, increased accountability and maximizes cost-effectiveness.

CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

Place: Hyderabad

Date: 17.06.2013

By order of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Chairman & Managing Director

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013

1. Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorised through principle based standards and not just through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

In the years ahead, the Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding. By combining ethical values with business acumen, globalisation with national interests and core business with emerging business, the Company aims to be amongst the largest and most respected global organisations. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies. The Company aims to have a strong legacy of fair, transparent and ethical governance practices. The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

2. BOARD OF DIRECTORS:

- (i) As on March 31, 2013, the Company has Six Directors with a Executive Chairman. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- (ii) None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	Number of Board Meeting held during the tenure		Whether attended last AGM held on 29.08.12	Number of Directorships in other companies		Number of Committee positions held in other Public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Arikatla Srinivasa Reddy (Chairman & Managing Director) DIN: 01673552	Promoter Executive	7	7	Yes	-	4	-	-
Mr. Vijay S. Chokshi (Whole Time Director) DIN: 00693254	Non-Promoter Executive	7	4	Yes	-	-	-	-
Mr. Darshan D Majmudar DIN: 01655973	Independent, Non-Executive	7	4	Yes	-	-	-	-
Mr. Jadda Amara Reddy DIN: 02634641	Independent, Non-Executive	7	7	No	-	-	-	-
Mr. Mahender R. Musuku DIN: 01974643	Independent, Non-Executive	7	5	Yes	-	-	-	-
Ms. Vasantha Madasu DIN: 03591771	Independent, Non-Executive	7	5	Yes	-	-	-	-

(iv) Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said Meetings were held are as follows:

1. 11.05.12
2. 03.08.12
3. 29.08.12
4. 14.09.12
5. 14.11.12
6. 11.02.13 and
7. 12.02.13

The necessary quorum was present for all the meetings.

(v) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(vi) During the year 2012-13, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

3. INFORMATION SUPPLIED TO THE BOARD

As a policy measure, all the major decisions which involve new investments and capital expenditure, in addition to the matters which statutorily require Board approval, are put up for consideration of the Board, Inter-alia, the following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings or is tabled at the Board Meeting

- Annual operating plans, budgets & any updates
- Capital budgets and any updates
- Quarterly, half-yearly and annual results of the Company and its operating divisions and minutes/ financial statements of the unlisted subsidiary companies
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution matters
- Any material default in financial obligations to and by the Company, or substantial non-payment by clients
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have trussed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture/collaboration agreement.
- Non-compliance with any regulatory statutory or listing requirement and shareholders service such as nonpayment of dividend, delay in share transfer, among others.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE:

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii. The terms of reference of the Audit Committee are broadly as under
 - Overview of the company's financial reporting process and the disclosures of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information are disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

- Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
 - Reviewing with the management the annual financial statement before submission to the board, focusing primarily on:
 - ☞ any changes in accounting policies and practices;
 - ☞ major accounting entries based on exercise of judgment by management;
 - ☞ qualification in draft audit report;
 - ☞ significant adjustments arising out of audit;
 - ☞ the going concern assumption;
 - ☞ compliance with accounting standards;
 - ☞ compliance with stock exchange and legal requirements concerning financial statements;
 - Reviewing the Company's financial and risk management policies.
 - Disclosure of contingent liabilities.
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finances function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting of the Company , held on 29th August 2012, was attended by Mr. Vijay S Chokshi, the Chairman of the Audit Committee.
- v. The composition of the audit committee and the attendance of each member of the committee at the meetings were as follows:

S No	Name of the Director	Category	No. of meetings held during the tenure	No. of meetings attended
1	Mr. Vijay S Chokshi Chairman	Non-Promoter Executive	5	5
2	Mr. Darshan Dhru padlal Majmudar Member	Independent, Non-Executive	5	5
3	Mr. Jadda Amara Reddy Member	Independent, Non-Executive	5	5

- vi. Five Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

11.05.2012; 03.08.2012; 14.09.2012, 14.11.2012 and 11.02.2013.

The necessary quorum was present for all the meetings.

B. REMUNERATION COMMITTEE:

- i. The Company has a Remuneration Committee of Directors.
- ii. The broad terms of reference of the Remuneration Committee are as under:
- a. To formulate remuneration policy and approve the remuneration or revision in the remuneration payable to executive directors/whole time directors.
- b. The Remuneration Committee of the company, inter-alia recommends to the Board the compensation terms of Executive Directors and Senior Management compensation plans, policies and programme of the company.
- c. Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approved.
- iii. The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Director	Category	No. of meetings during the Year 2012-13	
		Held	attended
Mr. Srinivasa Reddy Arikatla Chairman	Promoter Executive	1	1
Mr. Darshan DhruPADlal Majmudar Member	Independent, Non-Executive	1	1
Mr. Jadda Amara Reddy Member	Independent, Non-Executive	1	1

- iv. One meeting of the Remuneration Committee was held during the year on 03.08.2012.
- v. Remuneration Policy:

The remuneration paid to the Directors of the company is approved by the Board of Directors on the recommendations of the Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievement, on a periodical basis.

During the year 2012-2013, the Company has not paid any sitting fees for its Directors. The Members at the AGM held on 29.08.2012, approved payment of Remuneration of Rs. 1,00,000/- p.m.to the Managing Director, Mr. Srinivasa Reddy Arikatla .

C. SHAREHOLDERS/INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE:

- i. The Company has a Shareholders/Investors Grievance Committee and Share Transfer Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of notices/annual reports, etc. The Committee reviews periodically the share transfer/transmissions, process of dematerialization/ rematerialization of share, Issue of New and Duplicate Shares and the investor's grievances and the system there to.
- ii. The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name of the Director	Category	No. of meetings during the Year 2012-13
Mr. Arikatla Srinivasa Reddy	Promoter Executive	4
Mr. Jadda Amara Reddy	Independent, Non Executive	4
Mr. Darshan Dhruadlal Majmudar	Independent, Non Executive	4

Name, designation and address of Compliance Officer:

Mr. Srinivasa Reddy Arikatla

Chairman & Managing Director

Ajel Limited

106, 2nd Floor, Link Plaza Commercial Complex,

New Link Road, Jogeshwari, Mumbai - 400102 India.

022 – 26393197, 040 - 64512535

The Company has designated an exclusive e-mail ID called **investors@ajel.com** for redressal of shareholders' complaints/grievances. There were no investor complaints or pending transfer during the year under review and as on 31-03-2013

5. INITIATIVES ON PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI regulations on prevention of insider trading, the company framed a comprehensive Code of Conduct for its Directors and designated employees. The Code lays down guidelines, which advises the Directors and the designated employees on the procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautions them on consequences of violations Detailed code for prohibition of insider Trading is available at Company's website www.ajel.in

6. SUBSIDIARY COMPANIES

All the subsidiary companies of the Company are Board managed with their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders There are no material non-listed Indian subsidiary companies under the Company to nominate its Directors on such subsidiaries.

- As a majority shareholder, the Company has its representatives on the Boards of the subsidiary companies and monitors the performance of such companies, inter-alia, by the following means
- A Financial statements and particulars of investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company
- Minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board regularly
- A statement containing all significant transactions and arrangements. entered into by the unlisted subsidiary companies is placed before the Company's Board.

7. GENERAL BODY MEETINGS:

(i) GENERAL MEETINGS

(A) The details of General Body Meetings held in the last three years are as under:

AGM	Location	Date & Time	No. of Special Resolutions Passed
2009 - 10 AGM	Indian Medical Association Hall, 2nd Floor, Near Chandan Cinema, J.V.P.D. Scheme, Juhu, Mumbai 400049	30-09-2010 10.00AM	5
2010 - 11 AGM	Gardenia Banquets, Gardenia Restaurant, Junction of JP Road, Veera Desai Road, Andheri West, Mumbai.	12.09.2011 09.30 AM	2
2011 - 12 AGM	The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai 400053	29.08.2012 11.00 AM	4

(B) Extraordinary General Meetings

No Extraordinary General Meetings of the members was held during the year 2012-2013.

(C) Postal Ballot

During Financial year 2012-13, no postal ballot was conducted.

8. DISCLOSURES:

During 2012-13 certain transactions were entered into with related parties. The details thereof are given under note number 31 forming a part of the Financial Statements.

- There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the Kist three years,
- The Company has no written whistle blower policy.
- During the year, there was no treatment of any transaction different from that of prescribed in the Accounting Standards as required under Section 21 1(3C) of the Companies Act, 1956
- A report on risk management forms a part of the Management Discussion and Analysis in this Annual Report
- This Annual Report has a detailed section on Management Discussion and Analysis.
- The information on appointment/ re-appointment of Directors and their brief profiles are disclosed in the Notice of the ensuing Annual General Meeting for the information of shareholders.

MEANS OF COMMUNICATION

The main channel of communication to the shareholders is through the annual report which inter alia includes

The Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report, the Standalone and Consolidated financial

statements along with the Auditor's Report, Social Initiatives and Shareholders Information.

The Annual General Meeting (AGM) is the principal forum for interaction with the shareholders, where the board answers specific queries raised by the shareholders. The Board acknowledges its responsibility towards its shareholders and encourages open and active dialogue with all its shareholders viz., individuals, domestic institutional investors or foreign investors.

The Company communicates with its institutional shareholders through meetings with analysts. The presentations made to the analysts is uploaded on the Company's website www.ajel.in.

Regular communication with shareholders ensures that the Company's strategy is being clearly understood.

Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases and are also uploaded on the Company website

(i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

(ii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

(a) The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.

(b) The statutory financial statements of the Company are unqualified.

(iv) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

9. GENERAL SHAREHOLDERS INFORMATION

a) 19th Annual General Meeting :

Date and Time	Thursday, 1st August 2013 at 10.00AM
Venue	The Classique club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai 400053.

b) Book Closure Date : 30th July 2013 to 01st August 2013 (inclusive of both days)

c) Financial Calendar (Tentative) 2013-14 :

Financial reporting for the quarter ending 30.06.2013 - by 2nd Week of August 2013
 Financial reporting for the quarter ending 30.09.2013 - by 2nd week of September 2013
 Financial reporting for the quarter ending 31.12.2013 - by 2nd week of February 2014
 Financial reporting for the year ending 31.03.2014 - by 4th week of May 2014

d) Listing on Stock Exchange : Bombay Stock Exchange Limited and
 Ahmedabad Stock Exchange Limited.

e) Listing Fees : Listing fee for the year 2013-2014 has been paid.

f) Stock Code : BSE : 530713
 ASE : 11785

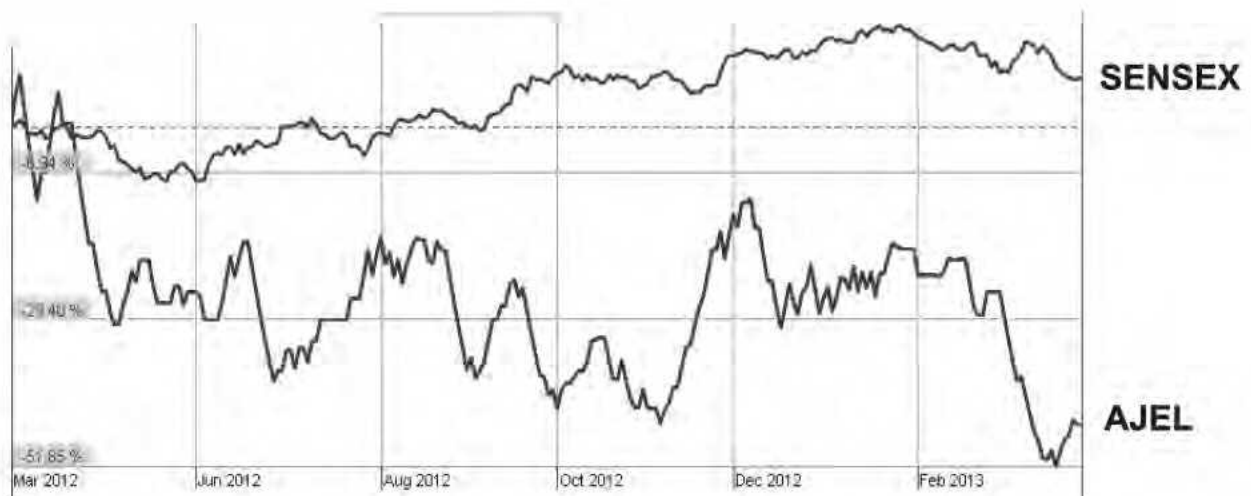
g) Demat ISIN No. for NSDL & CDSL : INE229B01015

h) Corporate Identification No: of the Company: L67120MH1994PLC076637

i) Stock Price Data : The table gives the details of stock market data traded in
 Bombay Stock Exchange

Month	Open	High	Low	Close	No. of	No. of
					Shares	Trades
Apr-12	7.02	7.76	5.49	5.49	11341	63
May-12	5.76	5.76	4.88	5.25	41134	83
Jun-12	5.25	5.91	4.10	4.21	134642	136
Jul-12	4.63	5.98	4.25	5.66	14087	64
Aug-12	5.7	5.96	4.42	4.42	9493	87
Sep-12	4.45	5.49	3.97	4.2	26077	143
Oct-12	4.03	4.78	3.81	4.21	13809	74
Nov-12	4	5.98	3.65	5.86	15599	93
Dec-12	6.14	6.5	4.62	5.28	10922	80
Jan-13	5.02	5.95	4.8	5.71	41953	82
Feb-13	5.43	5.7	5	5.25	2471	28
Mar-13	4.99	4.99	3.32	4.01	73907	144

j) Performance of the share price of the Company in comparison to the BSE SENSEX:



k) Registrar & Share Transfer Agents

: In-house Share Transfer

(for shares held in both physical and Demat mode)

l) Share Transfer System : The Physical shares transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Company. On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization and shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

n) Shareholding Pattern as on 31st March, 2013:

CATEGORY	No. Of Shares Held	%
A) Promoters and Promoter Group	5708381	53.10
B) Public Shareholding		
i) Institutions	-	-
ii) Non Institutions		
a) Bodies Corporate	346830	3.23
b) Individuals	4681801	43.55
c) Non - Resident Indians	12988	0.12
TOTAL	10750000	100.00

o) Distribution of Shareholding as on 31st March, 2013:

Distribution	Total Shareholders	% of Shareholders	Total Shares	% to Total
1 - 500	1561	68.92	3,39,784	3.35
501 - 1,000	293	12.94	2,40,021	2.36
1,001 - 2,000	158	6.98	2,47,921	2.44
2,001 - 3,000	66	2.91	1,73,598	1.71
3,001 - 4,000	29	1.28	1,03,666	1.02
4,001 - 5,000	39	1.72	1,84,827	1.82
5,001 - 10,000	46	2.03	3,46,903	3.42
10,001 - 99,99,999	73	3.22	85,13,280	83.87
TOTAL	2,265	100%	10,750,000	100%

p) Dematerialization of Shares:

Trading in equity share of the company in dematerialized form became mandatory from May 31, 1999. To facilitate trading in demat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CSDL). Ajel has entered into agreement with both these depositories. Shareholders can open their account with any of the Depository Participant registered with these depositories.

- As on March 31, 2013, 90.97 % shares of the company were held in dematerialized form.
- The equity shares of the company are frequently traded at Bombay Stock Exchange Ltd.

q) Offshore Development Centre's:

Plot No. 36, Shilpi Valley, Madhapur, Hyderabad - 500081.

r) Address for Investors Correspondence:

Shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Company at the following address:

Mr. Srinivasa Reddy Arikatla

Chairman & Managing Director

Ajel Limited

106, 2nd Floor, Link Plaza Commercial Complex,

New Link Road, Jogeshwari, Mumbai - 400102 India.

022 – 26393197, 040 - 64512535

s) CEO/ MD Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO was placed before the Board of Directors at their meeting held on 17.06.2013.

t) Means of Communication

Quarterly, Half-yearly and annual audited financial Results of the Company are intimated to the Stock Exchange(s) immediately as and when they are approved by the Board of Directors. The results are published in Regional Language and English National as per the requirement of Listing Agreement.

Member can also login to the website of the Company i.e., www.ajel.in wherein all the information is being displayed.

u) Code of Conduct:

Pursuant to the requirements of the Clause 49 of the Listing Agreement, the Board has adopted Code of Conduct and Ethics for the executive directors, whole time directors, officers and employees of the Company as well as the separate Code of Business Conduct and Ethics for Non-Executive Directors of the Company. The said Code has been posted on website of the Company.

v) Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

Place: Hyderabad

Date: 17.06.2013

By order of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Chairman & Managing Director

CHIEF EXECUTIVE OFFICER (CEO) / MANAGING DIRECTOR CERTIFICATION

I have reviewed the financial statements, read with the cash flow statement of Ajel Limited for the financial year ended March 31, 2013 and that to the best of my knowledge and belief, I state that:

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
(ii)) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) These are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluating the effectiveness of internal control systems of the company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) I have indicated to the auditors and audit committee:
 - (i) There are no significant changes in internal control over financial reporting during the year; (ii) Significant changes in accounting policies made during the year and that the same have disclosed suitably in the notes to the financial statements; and (iii) There are no instances of fraud involving the management or an employee.

Place: Hyderabad
Date: 17.06.2013

By order of the Board of Directors
Sd/-
Srinivasa Reddy Arikatla
Chairman & Managing Director

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS
AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the company has adopted a Code of Conduct for the Board of Directors and senior management of the company. The same is available on website of the company at www.ajel.in. As Managing Director of Ajel Limited and as required by clause 49(I)(D)(ii) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the company have affirmed compliance with the Code of Conduct for the financial year 2013.

Place: Hyderabad
Date: 17.06.2013

By order of the Board of Directors
Sd/-
Srinivasa Reddy Arikatla
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Ajel Limited

We have examined the compliance of conditions of corporate governance by Ajel Limited for the year ended on 31st March 2013 as stipulated in clause 49 of the listing agreement of the said company with concerned Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management, our examination has been limited a review of the procedures and implementation thereof adopted by the company for ensuring the compliance the conditions of corporate governance. It is neither an audit not expression of opinion on the financial statements of the company.

In our opinion and best of our information and according to the explanation given to us and the representations made the Directors and Management, we certify that the company has complied with the conditions of corporate governance as stipulated in the aforesaid listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad
Date : 17.06.2013

For Boppudi & Associates.,
Chartered Accountants,
Sd/-
B. APPA RAO
Partner
M.No. 028341
Firm Reg. No. 00502S

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
AJEL LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of AJEL LIMITED ("the company"), which comprise the Balance Sheet as at March 31, 2013, 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 for the Financial Statements

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 to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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, 2013;
- b. in the case of the Statement of Profit and Profit, of the loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for 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 sub-section (4A) of section 227 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 the 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 in sub-section (3C) of section 211 of the Companies Act,1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

BOPPUDI & ASSOCIATES
Chartered Accountants

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Place: Hyderabad

Date: 29.05.2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (1) under heading of report on other legal and regulatory requirements

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 (b) As explained to us all the assets have been physically verified by the management during the year on is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 (c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year and the going concern status of the company is not affected.
2. According to the information and explanation given to us during the year the company does not carry any inventory and the paragraph 4(iii)(a) and (b) of CARO is not applicable.
3. In respect of the loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 . During the year the Company has neither granted nor taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act consequently clause(iii)(b) to (iii)(d) of paragraph 4 of CARO are not applicable.
4. In our opinion and according to the information and given to us the company has an adequate internal control system commensurate with the size and nature of its business, for sale of goods and services during the course of our audit, we have not observed any failure to correct major weakness in internal control system.
5. In respect of the contracts or arrangements referred to in section 301 of the companies act, 1956. According to information and explanations given to us the company does not make any transactions in pursuance of contracts / arrangements that need to be entered in the registrar maintained U/s. 301 of the Companies Act, 1956.
6. According to the information and explanations given to us the Company has not accepted any fixed deposits from public during the year in respect of which section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are applicable, therefore provisions of clause 4(vi) of the CARO not applicable to the company..
7. According to the information and explanations given to us the company has an in house Internal Audit System commensurate with the size and nature of its business.
8. According to the information and explanations given to us and in our opinion Paragraph 4(viii) of CARO is not applicable to the company for the year.
9. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, and any other material statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India.

10. According to information and explanations given to us, in respect of dues: The company has generally been regular in depositing undisputed statutory dues, including P.F., Income Tax, Sales tax, Wealth Tax, Service Tax and any other material statutory dues during the year with appropriate authorities in India except the following.

Sl. No.	Name of the Statute	Name of the Dues	Amount Rs.	Period for which the Amount Relates
1	TDS	Statutory	5,53,061.00	2012 - 2013
2	Provident Fund	Statutory	2,65,824.00	2012 - 2013
3	ESI	Statutory	3,61,783.00	2012 - 2013
4	Professional Tax	Statutory	23,900.00	2012 - 2013
5	Service Tax	Statutory	58,83,803.00	2012 - 2013
Grand Total			70,88,371.00	

11. The company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank. Further in our opinion and according to the information and explanations given to us, the company did not have any amount outstanding to financial institutions or debenture holders.
13. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, considering the nature of activities carried on the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
15. The Company has not dealt or traded in shares, securities, debentures and other investments during the year.
16. The Company has not given any guarantees for loan taken by others from bank or financial institutions during the year and also there are no such outstanding guarantees as on 31st March 2013
17. According to the information and explanations given to us, The company has not raised any term loans.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion funds raised on Short Term based have, prima facie, not been used for long term based investments.
19. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
20. The Company has not issued any debentures and hence creation of necessary security or charge does not arise.
21. The Company has not raised any money by public issue during the year.
22. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company was noticed or reported during the year.

BOPPUDI & ASSOCIATES
Chartered Accountants

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 005025

Place: Hyderabad
Date: 29.05.2013

AJEL LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Rs.)

	Particulars	Note No.	As at March 31	
			2013	2012
I	<u>EQUITY AND LIABILITIES</u>			
	(i) <u>Shareholder's Fund</u>			
	(a) Share Capital	2.1	107,500,000	107,500,000
	(b) Reserves and Surplus	2.2	1,980,767	(5,861,477)
	(ii) Share Application Money Pending	2.3	10,800,000	8,740,000
	(iii) <u>Non Current Liabilities</u>			
	(a) Long Term Borrowings	2.4	1,906,159	1,420,650
	(b) Deferred Tax Liabilities (Net)	2.5	4,851,593	481,065
	(iv) <u>Current Liabilities</u>			
	(a) Short Term Borrowings	2.6	26,862,576	15,922,831
	(b) Trade Payables	2.7	18,019,336	1,429,104
	(c) Other Current Liabilities	2.8	14,443,966	28,205,981
	(d) Short Term Provisions	2.9	3,549,151	2,639,311
	TOTAL		189,913,548	160,477,465
II	<u>ASSETS</u>			
	(i) <u>Non Current Assets</u>			
	(a) Fixed Assets	2.10		
	- Tangible Assets		14,795,268	13,786,857
	- Intangible Assets		6,400,000	-
	(b) Non Current Investments	2.11	71,500,000	71,500,000
	(c) Deferred Tax Assets (Net)	2.12	-	38,406
	(d) Other Non Current Assets	2.13	35,350	175,750
	(ii) <u>Current Assets</u>			
	(a) Trade Receivables	2.14	69,891,600	50,916,171
	(b) Cash and Cash Equivalents	2.15	302,294	590,111
	(c) Short Term Loans and Advances	2.16	25,561,304	21,996,608
	(d) Other Current Assets	2.17	1,427,732	1,473,562
	TOTAL		189,913,548	160,477,465

Significant Accounting Policies and Notes to Accounts 1 to 8

As per our report of even date.

For and on behalf of

BOPPUDI & ASSOCIATES

Chartered Accountants

On behalf of the Board of Directors

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Director

Place: Hyderabad

Date: 29.05.2013

AJEL LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2013

(Amount in Rs.)

	Particulars	Note No.	For the Year ended March 31,	
			2013	2012
I	Revenue from Operations	3.1	91,060,309	64,243,223
II	Other Income	3.2	920,000	1,381,374
III	Total Revenue (I+II)		91,980,309	65,624,597
IV	<u>Expenses</u>			
	(a) Employee Benefit Expenses	3.3	68,753,189	52,186,839
	(b) Finance Costs	3.4	187,636	1,085,830
	(c) Depreciation and Amortization Expenses	3.5	2,277,693	611,974
	(d) Administrative and Other Expenses	3.6	7,858,971	9,623,632
	Total Expenses		79,077,490	63,508,275
V	Profit before Exceptional and Extraordinary items and Tax (III-IV)		12,902,819	2,116,322
VI	Exceptional Items		-	-
VII	Profit before Extraordinary items and Tax (V- VIII)		12,902,819	2,116,322
VIII	Extraordinary Items		-	-
IX	Profit Before Tax (VII-VIII)		12,902,819	2,116,322
X	<u>Tax Expense</u>			
	(a) Current Tax		4,938,848	951,140
	(b) Deferred Tax		121,727	32,007
XI	Profit / (Loss) for the period		7,842,244	1,133,175
XVI				
	(a) Basic and Diluted		0.73	0.11
	(b) Face Value per Share		10.00	10.00

Significant Accounting Policies and Notes
to Accounts 1 to 8

As per our report of even date.
For and on behalf of
BOPPUDI & ASSOCIATES
Chartered Accountants

On behalf of the Board of Directors

Sd/-
B. APPA RAO
Partner
M.No. 028341
Firm Reg. No. 00502S

Sd/-
Srinivasa Reddy Arikatla
Managing Director

Sd/-
Amara Reddy Jadda
Director

Place: Hyderabad
Date: 29.05.2013

AJEL LIMITED	
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013	
	2012-13
	Rs
A. Cash flow from operating activities:	
Net Profit before tax	12,902,819
Adjustments for:	
Depreciation	2,137,293
Preliminary Expenses written off	140,400
Deferred Tax	4,408,934
	6,686,627
Operating profit before working capital changes	19,589,446
Adjustments for:	
Decrease / (Increase) in Receivables	(18,975,429)
Decrease / (Increase) in Loans & Advances	(3,518,866)
Decrease / (Increase) in Payables	16,590,232
Decrease / (Increase) in Current Liabilities	(1,912,431)
	(7,816,494)
Cash generated from operations	11,772,952
Income tax paid	5,060,575
Net Cash from operating activities	6,712,377
B. Cash flow from investing activities:	
Purchase of fixed assets	(9,686,103)
Increase in Advances & Others	140,400
Net cash used in investing activities	(9,545,703)
C. Cash flow from financing activities:	
Proceeds from issue of share capital with premium	485,509
Proceeds from share application money pending allotment	2,060,000
Net cash used in financing activities	2,545,509
Net increase in cash and cash equivalents	(287,817)
Cash & Cash equivalents as at 01.04.2012	590,111
Cash & Cash equivalents as at 31.03.2013	302,294
Place: Hyderabad	For and on behalf of the Board
Date : 29.05.2013	
	Sd/-
	SRINIVASA REDDY ARIKATLA
	Managing Director
	Sd/-
	AMARA REDDY JADDA
	Director
<u>AUDITORS CERTIFICATE</u>	
We have examined the attached Consolidated Cash Flow Statement of Ajel Limited for the period ended 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 17.06.2013 to the members of the Company.	
BOPPUDI & ASSOCIATES	
Chartered Accountants	
Sd/-	
B. APPA RAO	
Partner	
M.No. 028341	
Firm Reg. No. 005025	
Place: Hyderabad	
Date : 29.05.2013	

**SCHEDULE 2.10
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (COST)					DEPRECIATION				NET BLOCK		
	AS ON 01.04.2012	Addition Adjustment	Deduction Adjustment	AS ON 31.03.13	AS ON 31.03.12	For the Year	Addition Adjustment	AS ON 31.03.13	AS ON 31.03.13	AS ON 31.03.12	AS ON 31.03.13	AS ON 31.03.12
Land & Building (Office Premises) Plant & Machinery (Computers, Computer Printers & Accessories)	11,199,328	-	-	11,199,328	340,958	30,308	-	371,266	10,828,062	10,858,370		
Vehicles	5,341,012	-	-	5,341,012	5,022,406	31,314	-	5,053,720	287,292	318,606		
Office Equipments	2,467,536	1,498,586	-	3,966,122	231,847	289,851	672	521,698	3,444,424	2,235,689		
Furniture & Fixtures	218,045	16,800	-	234,845	151,919	10,986	-	163,577	71,268	66,126		
Air conditioner	2,692,879	30,990	-	2,692,879	2,384,813	170,457	-	2,555,270	137,609	308,066		
	-	-	-	30,990	-	4,377	-	4,377	26,613			
Total	21,918,800	1,546,376	-	23,465,176	8,131,943	537,293	672	8,669,908	14,795,268	13,786,857		
INTANGIBLE ASSET SOFTWARE PRODUCTS		8,000,000	-	8,000,000	-	1,600,000	-	1,600,000	6,400,000	-		
	21,918,800	9,546,376	-	31,465,176	8,131,943	2,137,293	672	10,269,908	21,195,268	13,786,857		
Previous Period	19,351,184	2,567,616	-	21,918,800	7,660,369	471,574	-	8,131,943	13,786,857	11,690,815		

AJEL LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2013

1. Significant Accounting Policies:

1.1 Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles and mandatory accounting standards issued by the Institute of Chartered Accountants of India.

1.2 Basis of Accounting

The financial statements are prepared in accordance with the relevant presentation requirements of the Revised Schedule VI of the Companies Act, 1956 under the Historical cost convention on the basis of going concern and accrual unless otherwise stated.

1.3 Revenue recognition

Revenue is primarily derived from Software development, Consulting and allied services. Arrangements for software development and related services are either on fixed-price and fixed-timeframe or on a time and material basis. Revenue from fixed-price and fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on percentage-completion method. Where there is uncertainty as to measurement or collectability revenue recognition is postponed until such uncertainty is resolved. Revenue from fixed-price maintenance contracts are recognised ratably over the period in which services are rendered.

1.4 Fixed Assets

Fixed Assets are stated at cost less depreciation. The company capitalizes all costs incidental to acquisition and installation of Fixed Assets. Depreciation on fixed assets is provided on WDV method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.5 Preliminary Expenses and Pre Operative Expenses

Preliminary Expenses and Pre Operative Expenses are to be amortized over a period of ten years from the date of commencement of commercial activities.

1.6 Tax on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 Provisions and contingent liabilities

A provision is recognised if as a result of a past event, the group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. a. Contingent Liabilities are determined on the basis of available information and are disclosed by way of a note to the accounts.

1.8 Foreign Exchange Transactions:

For the purpose of Consolidation, Ajel Technologies, Inc was treated as Integral foreign operation in accordance with the Accounting Standard 11-“Effects of Changes in Foreign Exchange Rates” and transactions in foreign currency for the items of income and expenses are recorded at the Average rate of exchange for the period. All the Assets and Liabilities were recorded at the Closing rate of exchange. Exchange differences arising there from is transferred to Foreign Currency Loss and transferred to Profit and Loss Account.

1.9 Earning per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and also the weighted average number of the equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Notes referred to in the Balance Sheet are as follows:

2.1 Share Capital

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Authorized Capital</u> 12000000 Equity shares of ₹ 10/- Each (March 31, 2011: 12000000 equity shares of Rs. 10 each)	120,000,000	120,000,000
(ii) <u>Issued, Subscribed and Paid Up Capital</u> 10750000 Equity shares of ₹ 10/- Each, fully paid up	107,500,000	107,500,000
Total	107,500,000	107,500,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Equity Shares</u> No. of Equity Shares at the beginning of reporting period	10,750,000	10,150,000
Add: Shares issued on preferential allotment basis	-	600,000
Less: No. of Equity Shares bought back during the period		
No. of Equity Shares at the end of the reporting period	10,750,000	10,750,000

List of the shareholders holding more than five percent of shares in the company as at the Balance Sheet date:

Names of the shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	in %	No. of Shares	in %
Mr. Arikatla Srinivasa Reddy, Managing Director	4,541,631	42.25%	4,470,808	44.05%
Mrs. Vasantha Madasu, Director	600,000	5.58%	-	0.00%
Mr. Surender Reddy Bhimavarapu, promoter	1,019,500	9.48%	1,019,500	10.04%

2.2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Securities Premium Reserve</u> Opening Balance	1,200,000	-
Add: Appropriation during the period	-	1,200,000
Closing Balance	1,200,000	1,200,000
(ii) <u>Surplus</u> Opening Balance	(7,061,477)	(8,194,652)
Add: Profit for the year as per Statement of Profit & Loss	7,842,244	1,133,175
Total Profit available for Appropriation	780,767	(7,061,477)
Closing Balance	780,767	(7,061,477)
Grand Total	1,980,767	(5,861,477)

2.3 Share Application Money Pending Allotment

The company has proposed to issue 9,00,000 number of shares, for which the company has received a sum of Rs. 1,08,00,000/- (Rupees One Crore Eight Lakhs only) from the subscriber. Shares shall have a par value of Rs.10/- each and be issued at a premium of Rs.2/- each. There is sufficient Authorized Capital with the company for such proposed issue.

Note: The members of the Company, at its Annual General meeting held on 29th August 2012 have approved the Preferential Allotment of 9,00,000 equity shares to Mr. Sridhar Reddy .G, and the Company is in the process of obtaining in principal approval from BSE for allotment of equity shares on preferential basis.

2.4 LongTerm Borrowing

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(ii) <u>Car Loans</u> (a) From Banks - Secured	1,906,159	1,342,875
(b) From Other Parties - Unsecured	-	77,775
Total	1,906,159	1,420,650

2.5 Deferred Tax Liabilities (Net)

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Deferred Tax Liabilities</u> Depreciation and Amortization	224,950	70,404
Foreign branch profit tax	4,626,643	410,652
	4,851,593	481,056

2.6 Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(ii) Loans Repayable on Demand		
(a) From Directors	17,561,276	15,705,039
(e) From Others	9,301,300	217,792
(iii) Deposits		
Total	26,862,576	15,922,831

2.7 Trade Payables

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Trade Payables For Goods		
Trade Payables For Direct Expenses	18,019,336	1,429,104
Total	18,019,336	1,429,104

2.8 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Advances From Customers	731,890	600,000
Share Application Money Liable to be Refunded	2,500	2,500
Statutory Liabilities	7,088,371	5,438,532
Other Payables	6,621,205	22,164,949
Total	14,443,966	28,205,981

2.9 Short Term Provisions

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Provision for Tax	1,334,267	521,044
Other Short Term Provisions	2,214,884	2,118,267
Total	3,549,151	2,639,311

2.11 Non Current Investments

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Unquoted Investments in wholly owned subsidiary (7,50,000 shares in Ajel Technologies India Pvt. Ltd.)	71,500,000	71,500,000
Grand Total	71,500,000	71,500,000

Additional disclosures related to Non Current Investments as per requirement of Revised Schedule VI:

(Amount in Rs.)

Particulars	Relation / Name of All the Partners with their Capital Balance and Share in Profit	As at 31/03/2013	As at 31/03/2012
Investment in Equity Instruments			
(a) Ajel Technologies India Pvt. Limited	Wholly owned Subsidiary (7,50,000 shares)	71,500,000	71,500,000

2.12 Deferred Tax Assets (Net)

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) Deferred Tax Liabilities		
Depreciation and Amortization	-	38,406
Others	-	-
Deferred Tax Assets (Net)	-	38,406

2.13 Other Non Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Preliminary Expenses		
Opening Balance	175,750	316,150
Less: Amortization during the period	140,400	140,400
Closing Balance	35,350	175,750

Additional disclosures related to Current Investments as per requirement of Revised Schedule VI:

2.14 Trade Receivables

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Trade Receivables due by Directors or Related Parties		
(i) Exceeding Six Months		
(a) Unsecured, Considered Good	12,843,173	5,600,000
(ii) Others		
(a) Unsecured, Considered Good	11,000,000	16,098,171
Trade Receivables due by Others		
(i) Exceeding Six Months		
(a) Unsecured, Considered Good	5,107,119	5,187,127
(ii) Others		
(a) Unsecured, Considered Good	40,941,308	24,030,874
Total	69,891,600	50,916,172

2.15 Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Balances with Banks	262,979	555,763
Cash on Hand	39,315	34,348
Total	302,294	590,111

2.16 Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) Balance with Revenue Authorities		
(a) Service Tax Credit Receivable	1,218,654	200,899
(b) TDS Receivable	4,945,186	3,850,745
(c) Others	1,829,055	590,555
(ii) Loans and Advances to Related Parties		
(a) Unsecured, Considered Good	8,922,250	8,922,250
(iii) Other Short Term Loans and Advances		
(a) Unsecured, Considered Good	8,646,158	8,652,158
Total	25,561,304	21,996,607

2.17 Other Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Deposit - Others	84,900	84,900
Other Receivables (Current)	1,342,832	1,388,662
Total	1,427,732	1,473,562

3. Notes referred to in the Statement of Profit and Loss are as follows:

3.1 Revenue from Operations

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Consulting Services	76,110,309	13,494,308
Software Development services	14,950,000	50,748,915
Total	91,060,309	64,243,223

3.2 Other Income

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Interest Income	-	535,595
Net Gain / (Loss) on Foreign Exchange	-	53,779
Other Indirect Income (Net of expenses directly attributable)	920,000	792,000
Total	920,000	1,381,374

3.3 Employee Benefit Expenses

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Salaries and Wages	68,295,195	51,823,592
Contributions to ESI	112,735	11,867
Contributions to Provident Fund	51,170	17,820
Staff Welfare Expenses	294,089	316,560
Other Allowances to Employees	-	17,000
Total	68,753,189	52,186,839

3.4 Finance Costs

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Interest Expense	187,636	1,085,830
Total	187,636	1,085,830

3.5 Depreciation and Amortization Expenses

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Depreciation on Fixed Assets	2,137,293	471,574
Preliminary Expenses amortized during the period	140,400	140,400
Total	2,277,693	611,974

3.6 Administrative and Other Expenses

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Power and Fuel	346,218	494,197
Rent	872,534	1,389,748
Repairs to Machinery	102,712	148,368
Legal & Professional fees	550,616	1,328,073
Insurance	45,000	
Rates and Taxes, excluding Taxes on Income	547,657	507,159
Conveyance	73,833	169,830
Traveling Expenses	221,118	371,732
Telephone and Communication Expenses	639,092	1,684,764
Audit Fees	100,000	100,000
Sundry Writerooffs	-	1,569,913
Other expenses	3,372,284	1,859,848
Total	7,858,971	9,623,632

4. Payment to Auditors:

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) As Auditor	70,000	70,000
(ii) For Taxation Matters	20,000	20,000
(iii) For Company Law Matters		
(iv) For Others	10,000	10,000
Total	100,000	100,000

5. Additional information to disclose as required by Revised Schedule VI is as under:

Service Company	(Amount in Rs.)
	Services Rendered
(i) Consulting services	76,110,309
	(13,494,308)
(ii) Software development services	14,950,000
	(50,748,915)

Note: Figures shown in Brackets represent previous year figures.

6. Related Party Transactions

As at March, 31, 2013

Particulars	Subsidiaries	Directors	Relative of Directors	Total for the year
Software development Services	-	-	-	-
Managing Directors remuneration	-	1,200,000	-	1,200,000
Capital advances	-	13,889,365	550,000	14,439,365
Capital advances	-	-	-	-

Names and related parties and description of relationship

Subsidiaries and related interests	a) Ajel Technologies India Private Limited (100% subsidiary) b) Ajel Technologies Inc, USA, (100% Subsidiary of Ajel Technologies India Private Limited)
Directors	Mr. Arikatla Srinivasa Reddy, Managing Director

7. Balances of personal accounts like Unsecured Loans, Receivables, Payables and Loans & Advances are subject to their respective confirmations and reconciliations.
8. Figures of the previous year have been regrouped or rearranged, wherever considered necessary, to suit the current year's presentation.

Notes to Accounts 1 to 8 form an integral part of financial statements.

As per our report of even date.

BOPPUDI & ASSOCIATES
Chartered Accountants

On behalf of the Board of Directors

Sd/-
B. APPA RAO
Partner
M.No. 028341
Firm Reg. No. 00502S

Sd/-
Srinivasa Reddy Arikatla
Managing Director

Sd/-
Amara Reddy Jadda
Director

Place: Hyderabad
Date : 29.05.2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
AJEL LIMITED

Report on consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AJEL LIMITED ("the company"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

The company Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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, and based on the consideration of the financial statements/financial information of the subsidiaries referred to below on the other matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) in the case of the consolidated Balance sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Profit, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for year ended on that date.

Other Matter

Financial statement/Consolidated financial statements of one subsidiary which reflects the total assets (net) of Rs. 75.60 lakhs as at 31st March, 2013. Total revenue (net) of Rs. 4.35 lakhs and net cash flows amounting to Rs. 0.71 lakhs for the year ended, have been audited by us.

Our opinion is not qualified in respect of this matter.

BOPPUDI & ASSOCIATES
Chartered Accountants

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Place: Hyderabad
Date: 29.05.2013

AJEL LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Rs.)

	Particulars	Note No.	As at March 31	
			2013	2012
I	<u>EQUITY AND LIABILITIES</u>			
	(i) <u>Shareholder's Fund</u>			
	(a) Share Capital	2.1	107,500,000	107,500,000
	(b) Reserves and Surplus	2.2	83,644,012	68,197,818
	(ii) Share Application Money Pending	2.3	10,800,000	8,740,000
	(iii) <u>Non Current Liabilities</u>			
	(a) Long Term Borrowings	2.4	4,102,139	1,608,855
	(b) Deferred Tax Liabilities (Net)	2.5	40,212,086	32,224,339
	(iv) <u>Current Liabilities</u>			
	(a) Short Term Borrowings	2.6	109,816,766	88,691,930
	(b) Trade Payables	2.7	40,218,974	1,765,436
	(c) Other Current Liabilities	2.8	15,197,851	38,178,630
	(d) Short Term Provisions	2.9	3,445,928	4,627,416
	TOTAL		420,966,892	351,534,443
II	<u>ASSETS</u>			
	(i) <u>Non Current Assets</u>			
	(a) Fixed Assets	2.10		
	- Tangible Assets		20,723,220	19,359,747
	- Intangible Assets		113,162,366	68,163,110
	(b) Non Current Investments	2.11	-	-
	(c) Deferred Tax Assets (Net)	2.12	-	38,406
	(d) Other Non Current Assets	2.13	45,855	196,754
	(ii) <u>Current Assets</u>			
	(a) Trade Receivables	2.14	254,371,044	201,755,215
	(b) Inventories		-	42,965,091
	(c) Cash and Cash Equivalents	2.15	10,617,687	7,973,064
	(d) Short Term Loans and Advances	2.16	20,618,980	9,609,493
	(e) Other Current Assets	2.17	1,427,732	1,473,562
	TOTAL		420,966,892	351,534,443

Significant Accounting Policies and Notes
to Accounts

1 to 8

As per our report of even date.

For and on behalf of

BOPPUDI & ASSOCIATES

Chartered Accountants

On behalf of the Board of Directors

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Place: Hyderabad

Date: 29.05.2013

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Director

AJEL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2013

(Amount in Rs.)

	ParticularsNote	No.	For the year ended March 31.	
			2013	2012
I	Revenue from Operations	3.1	583,317,617	392,804,480
II	Other Income	3.2	5,097,955	12,204,293
III	Total Revenue (I+II)		588,415,572	405,008,773
IV	<u>Expenses</u>			
	(a) Employee Benefit Expenses	3.3	527,462,864	211,054,594
	(b) Finance Costs	3.4	4,507,966	4,234,972
	(c) Depreciation and Amortization Expenses	3.5	8,926,022	1,618,178
	(d) Administrative and Other Expenses	3.6	27,011,951	173,874,318
	Total Expenses		567,908,803	390,782,062
V	Profit before Exceptional and Extraordinary items and Tax (III-IV)		20,506,769	14,226,711
VI	Exceptional Items		-	-
VII	Profit before Extraordinary items and Tax (V-VI)		20,506,769	14,226,711
VIII	Extraordinary Items		-	-
IX	Profit Before Tax (VII-VIII)		20,506,769	14,226,711
X	<u>Tax Expense</u>			
	(a) Current Tax		4,938,848	2,491,009
	(b) Deferred Tax		121,727	32,007
XI	Profit / (Loss) for the period		15,446,194	11,703,695
XII	Profit / (Loss) form Discontinuing Operations		-	-
XIII	Tax Expenses of Discontinuing Operations		-	-
XIV	Profit / (Loss) form Discontinuing Operations after (XII-XIII)		-	-
XV	Profit / (Loss) for the period (XI+XIV)		15,446,194	11,703,695
XVI	<u>Earnings Per Equity Share</u>			
	(a) Basic and Diluted		1.44	1.09
	(b) Face Value per Share		10.00	10.00

Significant Accounting Policies and Notes
to Accounts 1 to 8

As per our report of even date.

For and on behalf of

BOPPUDI & ASSOCIATES

Chartered Accountants

On behalf of the Board of Directors

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Director

Place: Hyderabad

Date: 29.05.2013

AJEL LIMITED	
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013	
	2012-13
	Rs
A. Cash flow from operating activities:	
Net Profit before tax	20,506,769.00
Adjustments for:	
Depreciation	8,775,122.00
Preliminary Expenses written off	150,900.00
Deferred Tax	8,026,153.00
	16,952,175.00
Operating profit before working capital changes	37,458,944.00
Adjustments for:	
Decrease / (Increase) in Receivables	(52,615,829)
Decrease / (Increase) in Inventories	42,965,091
Decrease / (Increase) in Loans & Advances	(11,009,486)
Decrease / (Increase) in Other Current Assets	45,831
Decrease / (Increase) in Payables	38,453,539
Decrease / (Increase) in Current Liabilities	(3,037,451)
	14,801,695.00
Cash generated from operations	52,260,639.00
Income tax paid	5,060,575.00
Net Cash from operating activities	47,200,064.00
B. Cash flow from investing activities:	
Purchase of fixed assets	(55,288,760)
Increase in Advances & Others	150,899.00
Net cash used in investing activities	(55,137,861.00)
C. Cash flow from financing activities:	
Proceeds from issue of share capital with premium	8,522,420.00
Proceeds from share application money pending allotment	2,060,000.00
Net cash used in financing activities	10,582,420.00
Net increase in cash and cash equivalents	2,644,623.00
Cash & Cash equivalents as at 01.04.2012	7,973,064.00
Cash & Cash equivalents as at 31.03.2013	10,617,687.00
Place: Hyderabad	For and on behalf of the Board
Date : 29.05.2013	Sd/-
	SRINIVASA REDDY ARIKATLA
	Managing Director
	Sd/-
	AMARA REDDY JADDA
	Director
	AUDITORS CERTIFICATE
We have examined the attached Consolidated Cash Flow Statement of Ajel Limited for the period ended 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 17.06.2013 to the members of the Company.	
	BOPPUDI & ASSOCIATES
	Chartered Accountants
	Sd/-
	B. APPA RAO
	Partner
	M.No. 028341
	Firm Reg. No. 00502S
Place: Hyderabad	
Date : 29.05.2013	

SCHEDULE 2.10

FIXED ASSETS

PARTICULARS	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2012	Addition Adjustment	Deduction Adjustment	AS ON 31.03.13	AS ON 31.3.2012	For the Year	Addition Adjustment	AS ON 31.03.12	AS ON 31.3.2012	AS ON 31.3.2011
TANGIBLE ASSETS										
Land & Building (Office Premises)	11,199,328	-	-	11,199,328	340,958	30,308	-	371,266	10,828,062	10,858,370
Plant & Machinery										
(Computers, Computer Printers & Accessories)	5,341,012	-	-	5,341,012	5,022,406	31,314	-	5,053,720	287,292	318,606
Vehicles	2,467,536	1,498,586	-	3,966,122	231,847	289,851	-	521,698	3,444,424	2,235,689
Office Equipments	218,045	16,800	-	234,845	151,919	10,986	672	163,577	71,268	66,126
Furniture & Fixtures	2,692,879	-	-	2,692,879	2,384,813	170,457	-	2,555,270	137,609	308,066
Air Conditioner		30,990	-	30,990	-	4,377	-	4,377	26,613	-
Assets - Ajel Technologies India Pvt Ltd	3,799,659	-	-	3,799,659	2,017,992	208,774	450,499	2,677,265	1,122,394	1,781,667
Assets - Ajel Tehcnologies, Inc.	8190697	2,917,240	-	11,107,937	5,854,711	447,660	-	6,302,371	4,805,566	-
Total	33,909,156	4,463,616	-	38,372,772	16,004,646	1,193,727	451,171	17,649,544	20,723,228	15,568,524
INTANGIBLE ASSETS										
SOFTWARE PRODUCTS										
Goodwill - Ajel Technologies India Pvt Ltd	64,000,000	8,000,000	-	8,000,000	-	1,600,000	-	1,600,000	6,400,000	-
Goodwill - Ajel Tehcnologies, Inc.	4,150,585	-	-	4,150,585	-	-	-	-	4,150,585	64,000,000
Software Product - Ajel Tech. Inc.,		45,040,836	-	45,040,836	-	6,429,055	-	6,429,055	38,611,781	4,150,585
Total	68,150,585	53,040,836	-	121,191,421	-	8,029,055	-	8,029,055	113,162,366	68,150,585
Previous Period	99,504,650	4,022,853	-	103,527,503	13,846,119	1,467,277	754,957	16,098,353	87,429,150	85,628,531

AJEL LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2013

Significant Accounting Policies:

1 Company Overview:

Ajel Limited ('Ajel'), its consolidated subsidiary Ajel Technologies India Private Limited (Ajel Technologies) and its consolidated subsidiary of Ajel Technologies, Inc (Ajel, Inc) (hereinafter collectively referred to as Group) are mainly engaged in development of computer software. Ajel is a holding Company with its investment within the group companies.

1.1 Significant Accounting policies

Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles and mandatory accounting standards issued by the Institute of Chartered Accountants of India.

1.2 Basis of Accounting

The financial statements are prepared in accordance with the relevant presentation requirements of the Revised Schedule VI of the Companies Act, 1956 under the Historical cost convention on the basis of going concern and accrual unless otherwise stated.

1.3 Revenue recognition

Revenue is primarily derived from Software development, Consulting and allied services. Arrangements for software development and related services are either on fixed-price and fixed-timeframe or on a time and material basis. Revenue from fixed-price and fixed-time frame contracts , where there is no uncertainty as to measurement or collectability of consideration is recognised based on percentage-completion method. Where there is uncertainty as to measurement or collectability revenue recognition is postponed until such uncertainty is resolved. Revenue from fixed-price maintenance contracts are recognised ratably over the period in which services are rendered.

1.4 Fixed Assets

Fixed Assets are stated at cost less depreciation. The company capitalizes all costs incidental to acquisition and installation of Fixed Assets. Depreciation on fixed assets is provided on WDV method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.5 Preliminary Expenses and Pre Operative Expenses

Preliminary Expenses and Pre Operative Expenses are to be amortized over a period of ten years from the date of commencement of commercial activities.

1.6 Tax on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 Provisions and contingent liabilities

A provision is recognised if as a result of a past event, the group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. a. Contingent Liabilities are determined on the basis of available information and are disclosed by way of a note to the accounts.

1.8 Foreign Exchange Transactions:

For the purpose of Consolidation, Ajel Technologies, Inc was treated as Integral foreign operation in accordance with the Accounting Standard 11-“Effects of Changes in Foreign Exchange Rates” and transactions in foreign currency for the items of income and expenses are recorded at the Average rate of exchange for the period . All the Assets and Liabilities were recorded at the Closing rate of exchange. Exchange differences arising there from is transferred to Foreign Currency Loss and transferred to Profit and Loss Account.

1.9 Earning per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and also the weighted average number of the equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2 Notes referred to in the Balance Sheet are as follows:**2.1 Share Capital**

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Authorized Capital</u> 12000000 Equity shares of ₹ 10/- Each (March 31, 2011: 12000000 equity shares of Rs. 10 each)	120,000,000	120,000,000
(ii) <u>Issued, Subscribed and Paid Up Capital</u> 10750000 Equity shares of ₹ 10/- Each, fully paid up	107,500,000	107,500,000
Total	107,500,000	107,500,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Equity Shares</u> No. of Equity Shares at the beginning of reporting period	107,500,000	10150000
Add: Shares issued on preferential allotment basis		600000
No. of Equity Shares at the end of the reporting period	107,500,000	107,500,000

List of the shareholders holding more than five percent of shares in the company as at the Balance Sheet date:

Names of the shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	in %	No. of Shares	in %
Mr. Arikatla Srinivasa Reddy, Managing Director	4,541,631	42.25%	4,470,808	44.05%
Mrs. Vasantha Madasu, Director	600,000	5.58%	-	0.00%
Mr. Surender Reddy Bhimavarapu, promoter	1,019,500	9.48%	1,019,500	10.04%

2.2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) <u>Securities Premium Reserve</u> Opening Balance	1,200,000	0
Add: Appropriation during the period	-	1,200,000
Closing Balance	1,200,000	1,200,000
(ii) <u>Surplus</u> Opening Balance	66,997,818	55,294,123
Add: Profit for the year as per Statement of Profit & Loss	15,446,194	11,703,695
Total Profit available for Appropriation	82,444,012	66,997,818
Closing Balance	82,444,012	66,997,818
Grand Total	83,644,012	68,197,818

2.3 Share Application Money Pending Allotment

The company has proposed to issue 9,00,000 number of shares, for which the company has received a sum of Rs. 1,08,00,000/- (Rupees One Crore Eight Lakhs only) from the subscriber. Shares shall have a par value of Rs.10/- each and be issued at a premium of Rs.2/- each. There is sufficient Authorized Capital with the company for such proposed issue.

Note: The members of the Company, at its Annual General meeting held on 29th August 2012 have approved the Preferential Allotment of 9,00,000 equity shares to Mr. Sridhar Reddy .G, and the Company is in the process of obtaining in principal approval from BSE for allotment of equity shares on preferential basis.

2.4 Long Term Borrowings

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(ii) Car Loans		
(a) From Banks		
- Secured	1,906,159	1,531,080
(b) From Other Parties		
- Unsecured	2,196,000	77,775
Total	4,102,159	1,608,855

2.5 Deferred Tax Liabilities (Net)

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) Deferred Tax Liabilities		
Depreciation and Amortization	224,950	70,410
Foreign branch profit tax	39,987,136	32,153,929
	40,212,086	32,224,339

2.6 Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) Working Capital Loans / CC Limit / OD Account (with Bank)		
(a) Secured	-	2,450,972,00
(ii) Loans receivable on demand		
(a) From Banks		
- Secured		58,246,424
(b) From Directors	47,177,138	15,705,039
(c) From Subsidiary		(562,378)
(d) From others	68,593,744	12,851,874
(iii) Deposits	750,000	
Total	115,845,882	88,691,931

2.7 Trade Payables

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Trade Payables For Goods		
Trade Payables For Direct Expenses	40,218,974	1,765,436
Total	40,218,974	1,765,436

2.8 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Advances From Customers	731,890	600,000
Share Application Money Liable to be Refunded	2,500	2,500
Statutory Liabilities	7,088,371	5,438,532
Other Payables	7,375,090	32,137,618
Total	15,197,851	38,178,650

2.9 Short Term Provisions

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Provision for Tax	1,231,044	521,044
Other Short Term Provisions	2,214,884	4,103,672
Total	3,445,928	4,624,716

2.11 Non Current Investments

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Unquoted Investments in wholly owned subsidiary (7,50,000 shares in Ajel Technologies India Pvt. Ltd.)	71,500,000	71,500,000
Deferred Tax Assets (Net)	71,500,000	71,500,000

Additional disclosures related to Non Current Investments as per requirement of Revised Schedule VI:

Particulars	Relation / Name of all the partners with their capital balance and share in profit	As at 31/03/2013	As at 31/03/2012
Investment in Equity Instruments a) Ajel Technologies India Pvt. Ltd.	Wholly owned Subsidiary (7,50,000 Shares)	71,500,000	71,500,000

2.12 Deferred Tax Assets (Net)

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) <u>Deferred Tax Liabilities</u>		
Depreciation and Amortization	-	38,406
Others	-	-
Deferred tax Assets (Net)	-	38,406

2.13 Other Non Current Assets

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
<u>Preliminary Expenses</u>		
Opening Balance	196,755	347,654
Less: Amortization During the period	150,900	150,900
Deferred tax Assets (Net)	45,855	196,754

Additional disclosures related to Non Current Investments as per requirement of Revised Schedule VI:

2.14 Trade Receivables

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
<u>Trade Receivables due by Directors or Related Parties</u>		
(i) Exceeding Six Months		
(b) Unsecured, Considered Good	12,843,173	560,000
(ii) Others		
(b) Unsecured, Considered Good	11,000,000	16,098,171
<u>Trade Receivables due by Others</u>		
(i) Exceeding Six Months		
(b) Unsecured, Considered Good	5,107,119	5,187,127
(ii) Others		
(b) Unsecured, Considered Good	225,420,752	176,823,014
Total	25,4371,044	203,708,312

2.15 Cash and Cash Equivalents

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Balances with Banks	10,577,982	7,094,104
Cash on Hand	39,706	878,963
Total	10,617,687	7,973,067

2.16 Short Term Loans and Advances

(Amount in Rs)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Balance with Revenue Authorities		
(a) Service Tax Credit Receivable	1,228,393	200,899
(b) TDS Receivable	5,419,119	3,850,745
(c) Others	1,829,055	590,555
(ii) Loans and Advances to Related Parties		
(a) Unsecured, Considered Good	14,000	-
(iii) Other Short Term Loans and Advances		
(a) Unsecured, Considered Good	12,128,412	4,967,294
Total	20,618,980	9,609,493

2.17 Other Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2013	As at 31/03/2012
Deposit - Others	84900	84900
Other Receivables (Current)	1,342,832	1,388,662
Total	1,427,732	1,473,562

3. Notes referred to in the Statement of Profit and Loss are as follows:

3.1 Revenue from Operations

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Consulting Services	569,717,617	13,494,308
Software Development services	13,600,000	52,942,762
Income from overseas operations		326,367,410
Total	583,317,617	392,804,480

3.2 Other Income

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Interest Income	-	535,595
Net Gain / (Loss) on Foreign Exchange	-	10,876,698
Other Indirect Income (Net of expenses directly attributable)	5,097,955	792,000
Total	5,097,955	12,204,293

3.3 Employee Benefit Expenses

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Salaries and Wages	356,373,542	204,767,960
Contributions to ESI	170,744,064	11,867
Contributions to Provident Fund	51,170	17,820
Staff Welfare Expenses	294,089	6,239,948
Other Allowances to Employees	0	17,000
Total	527,462,864	211,054,595

3.4 Finance Costs

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Interest Expense	4,507,966	4,234,972
Total	4,507,966	4,234,972

3.5 Depreciation and Amortization Expenses

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Depreciation on Fixed Assets	8,775,122	1,467,277
Preliminary Expenses amortized during the period	150,900	150,900
Total	8,926,022	1,618,177

3.6 Administrative and Other Expenses

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Power and Fuel	417,673	690,231
Rent	872,534	6,158,471
Repairs to Machinery	135,499	455,392
Legal & Professional fees	570,616	6,453,437
Insurance	5,746,039	5,111,232
Consulting Charges		142,420,835
Rates and Taxes, excluding Taxes on Income	547,657	818,404
Conveyance	73,833	169,830
Travelling Expenses	1,089,060	1,218,279
Telephone and Communication Expenses	2,464,120	3,585,847
Business promotion		303,961
Audit Fees	771,720	130,000
Sundry Wirteoffs	-	1,569,913
Net Gain / (Loss) on Foreign Exchange	987,907	
Other expenses	13,335,293	4,788,487
Total	27,011,951	173,874,319

4. Payment to Auditors:

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
(i) As Auditor	70,000	70,000
(ii) For Taxation Matters	20,000	20,000
(iv) For Others	10,000	10,000
Total	100,000	100,000

5. Additional information to disclose as required by Revised Schedule VI is as under:

Service Company	(Amount in Rs)
	Services Rendered
(i) Consulting services	77,460,309 (13,494,308)
(ii) Software development services	13,600,000 (50,748,915)

Note: Figures shown in Brackets represent previous year figures.

6. Related Party Transactions

(Amount in Rs)

As at 31/03/2013

Particulars	Subsidiaries	Directors	Total for the year
Software development Services	12,350,000	-	12,350,000
Managing Directors remuneration	-	1,200,000	1,200,000
Capital Advances	8,922,250	-	8,702,250

Names and related parties and description of relationship

Subsidiaries and related interests	a) Ajel Technologies India Private Limited (100% subsidiary) b) Ajel Technologies Inc, USA, (100% Subsidiary of Ajel Technologies India Private Limited)
Directors	Mr. Arikatla Srinivasa Reddy, Managing Director

Note: Figures shown in Brackets represent previous year figures.

7. Balances of personal accounts like Unsecured Loans, Receivables, Payables and Loans & Advances are subject to their respective confirmations and reconciliations.
8. Figures of the previous year have been regrouped or rearranged, wherever considered necessary, to suit the current year's presentation.

Notes to Accounts 1 to 8 form an integral part of financial statements.

As per our report of even date.

For and on behalf of

BOPPUDI & ASSOCIATES

Chartered Accountants

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Place : Hyderabad

Date : 29.05.2013

On behalf of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Director

STATEMENT PURSUANT TO GENERAL EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES												
NAME OF THE SUBSIDIARY	REPORTING CURRENCY	EXCHANGE RATE	CAPITAL	RESERVE	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENT OTHER THAN INVESTMENT IN SUBSIDIARY	TURNOVER PROFIT BEFORE TAX	PROVISION FOR TAXATION	PROFIT AFTER TAX	PROPOSED DIVIDEND	COUNTRY
AJEL TECHNOLOGIES INDIA PVT LTD	INR	1.00	7,500,000	(12,147,415)	7,560,354	12,207,774	Nil	4,35,025	(519,735)	NIL	NIL	NIL
AJEL TECHNOLOGIES Inc, USA	USD	54.31	2,71,775	91,735,631	240,181,687	146,104,576	Nil	496,000,238	6,048,656	6,048,656	NIL	NIL

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AJEL LIMITED

106, 2nd Floor, Link Plaza Commercial Complex, New Link Road,
Jogeshwari, Mumbai - 400102 India. Phone :022 26393197

PROXY FORM

I/We _____ of _____ being a Member(s) of above named company hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us, on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday the 1st day of August 2013 at 10.00 AM at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai - 400 053. and at any adjournment(s) thereof.

As Witnessed Signed this _____ day of August 2013

Signature _____

Folio No./Client ID _____

No. of shares held _____

Affix
Re.1/-
Revenue
Stamp.

Note:

The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

AJEL LIMITED

106, 2nd Floor, Link Plaza Commercial Complex, New Link Road,
Jogeshwari, Mumbai - 400102 India. Phone: 022 26393197

ATTENDANCE SLIP

(Please present the slip at the Meeting venue)

I hereby record my presence at the 19th Annual General Meeting of the members of the company on Thursday the 1st day of August 2013 at 10.00 AM at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai - 400 053..

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____
(In block letters)

Folio No./Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

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Distinctive Capabilities for the Agile Business

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Maharashtra, India.
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