



Delivering World-Class IT Solutions

20th Annual Report

2013 - 2014

Ajel Limited

ajel.in

Our Philosophy

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

TWENTIETH ANNUAL REPORT

2013 - 2014

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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. Amara Reddy Jadda	-	Director
5. Mr. Mahender Reddy Musuku	-	Director
6. Ms. Vasantha Madasu	-	Director
7. Mr. Vijay Kumar Ravindra Nath	-	Additional Director
Appointed w.e.f. 25-02-2014		

Ms. Roopali Kale*	-	Company Secretary
* Resigned w.e.f. 19-05-2014		

Registered Office:

106, 2nd Floor, Mahadashopping Complex,
New Link Road, Jogeshwari, Mumbai - 400102

BRANCH OFFICE:

Hyderabad

Plot No.36, Shipi Valley,
Madhapur,
Hyderabad - 500 033
Andhra Pradesh

U.S.A.

1 Cragwood Road,
Suite# 306,
South Plainfield,
NJ - 07080.

1. Audit Committee

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

2. Statutory Auditors

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

Remuneration Committee

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

BANKERS

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

Investor Grievance Committee

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

Registrar and Share Transfer Agents
In-House

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Shareholders of AJEL LIMITED will be held on Tuesday the 30st day of September 2014 at 10.00 AM at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai - 400 053 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the period ended as on that date and the report of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Jadda Amara Reddy (DIN 02634641), Who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Vasantha Madasu (DIN 03591771), who retires by rotation and being eligible, offers her self for reappointment.
4. To appoint statutory auditors and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any of the Companies Act 2013 and the rules framed there under, as amended from time to time, M/s. Boppudi & Associates, Chartered Accountants (Firm Registration No. 00502S) be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this 20th Annual General Meeting (AGM) till the conclusion of the 24th Annual General Meeting (AGM) of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM), at such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder read with Schedule IV to the Act, Mr. Vijay Kumar Ravindra Nath, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. February 25, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Vijay Kumar Ravindra Nath for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director, whose period of office shall be liable to determination by retirement of directors by rotation."

Place : **Mumbai**

Date : 29.05.2014

By Order of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Chairman & Managing Director

CIN: L67120MH1994PLC076637

Website: www.ajel.in

Email: investors@ajel.com

Registered Office

106, 2nd Floor, Mahadashopping Complex, New Link Road, Jogeshwari, Mumbai - 400102

Tel: +91 22 2630 3342 Tel: +91 22 2630 3348 Fax: +91 22 2634 9264

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. Proxy forms to be valid shall be lodged at the registered office of the company not less than 48 hours before the meeting.
2. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on September 30, 2014 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 29, 2014 to September 30, 2014 (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
6.
 - a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
 - b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
7. Non-Resident Indian Members are requested to inform Registrar, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
8. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.
9. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent.
10. Details of the Directors seeking re-appointment / appointment at the Annual General Meeting Scheduled to be held on September 30, 2014, (Pursuant to Clause 49 (IV)(G)(i) of the Listing Agreement) is given below:

Place : **Mumbai**

Date : 29.05.2014

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. Jadda Amara Reddy	Ms. Vasantha Madasu
Expertise in specific functional Areas	15 years of experience in infrastructure industry and he is an energetic entrepreneur in charge of expanding the customer base through aggressive marketing.	Business Management Strategic Planning and Operations
Date of appointment on the Board of the Company	30/09/2009	03/12/2011
Details of Shares held in the Company as on 31.03.2014	NIL	6,00,000
List of Companies in which outside Directorships held as on 31.03.2014 (excluding Private, Section 25, Foreign Companies)	NIL	NIL
Chairman / Member of the Committees of other Companies on which he is a Director as on 31.03.2014	NIL	NIL
Category	Non Executive Director	Non Executive Director

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 6:

The Board of Directors co-opted Mr. Vijay Kumar Ravindra Nath as an Additional Director was appointed as an Additional Director from that date pursuant to Section 161 of the Companies Act, 2013. He holds office till conclusion of this Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

Mr. Vijay Kumar Ravindra Nath is a strategic consultant. He specializes in operational business aspects and has over 22 years of experience in various fields covering Business Advisory, Project Consultancies, strategic consulting etc., and is associated with several Indian and Multinational Companies.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Vijay Kumar Ravindra Nath as an independent Director and also that he fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director. Accordingly the Board, recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice.

Except Mr. Vijay Kumar Ravindra Nath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

Place: Mumbai
Date: 29.05.2014

CIN: L67120MH1994PLC076637
Website: www.ajel.in
Email: investors@ajel.com

Registered Office
106, 2nd Floor, Mahadashopping Complex,
New Link Road, Jogeshwari, Mumbai - 400102
Tel: +91 22 2630 3342 Tel: +91 22 2630 3348
Fax: +91 22 2634 9264

For and behalf of the Board
AJEL LIMITED
Sd/-
SRINIVASA REDDY ARIKATLA
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 20th Annual Report of the company on the business and operations of the company together with the Audited Accounts for the year ended 31st March 2014..

FINANCIAL RESULTS

The Standalone Financial Results of the Company for the financial year ended March 31, 2014, is summarized below.

PARTICULARS	Standalone		Consolidated	
	2014	2013	2014	2013
Income	93625912	91980309	457557107	588415572
Total Expenditure	86048698	76612160	476212205	554474815
Finance Cost	218337	187636	3898467	4507966
Depreciation	2416864	2277693	11712683	8926022
Expenditure W/off	0	0	0	0
Operating Profit /(Loss)	7577214	15368149	-18655098	33940757
Profit / (Loss) before tax	4942013	12902820	-34266248	20506769
Less: Taxes	1124936	5060575	1124936	5060575
Profit / (Loss) after tax	3817077	7842245	-35391184	15446194
EPS (equity shares, par value Rs.10 each)	0.36	0.73	-3.29	1.44

BUSINESS PERFORMANCE

The performance of your company during the year under report has shown stable over previous year. Your Company has been adopting a number of "continuous improvement" initiatives during the year.

DIVIDEND:

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

TRANSFER TO RESERVES

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

OUTLOOK

AJEL is a premier provider of full range of information technology services for the agile business. We combine strategic consulting, process innovation, custom and package software deployment, and application monitoring to rapidly deliver end-to-end business systems that create immediate bottom-line impact for our clients to achieve their business objectives.

Our Outsourcing Solution enables customers to gain efficiency in operations, minimize Costs, and keep to a strategy of staying lean, flexible and nimble. And best of all, we truly believe in collaborative partnership to provide long-term value to our clients.

DIRECTORS

Mr. Vijay Kumar Ravindra Nath was appointed as Additional Director w.e.f. 25th February, 2014 pursuant to Section 161 of the Companies Act, 2013. His term of office shall be liable to retire by rotation. In accordance with section 160 of the Companies Act, 2013, Mr. Vijay Kumar Ravindra Nath, vacates office at the ensuing Annual General Meeting and being eligible, offer himself for appointment.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Jadda Amara Reddy and Ms. Vasantha Madasu retires by rotation and being eligible, has offered himself for re-appointment

The brief resume of the directors who are to be appointed/re-appointed the nature of their expertise in specific functional areas, names of companies in which they held directorships, committee memberships/chairmanships their shareholding etc., are furnished to the explanatory statement to the notice of the ensuing Annual General Meeting.

Your Directors recommend their appointment / re-appointment at the ensuing Annual General Meeting.

SUBSIDIARY COMPANY

Your company has one wholly owned subsidiary namely Ajel Technologies India Private Limited in Hyderabad, and the subsidiary has its wholly owned subsidiary namely Ajel Technologies Inc, USA.

Pursuant to the provisions of Section 212 of the Companies Act, 1956 (Act), documents in respect of the various subsidiaries Viz., Director's Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are required to be attached to the Balance Sheet of the holding company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs, has vide Circular No. 2/2011 dated 8th February, 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries of the Company. However, the Company will make available the audited annual accounts and related detailed information of the subsidiaries to the shareholders upon request in accordance with the applicable law. These documents are also available for inspection at the Registered Office of the Company during business hours.

AUDITORS AND THEIR REPORT

The Statutory Auditors of the Company M/s. Boppudi & Associates, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter to the effect that the re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

Pursuant to Companies Act, 2013, your Company recommends the appointment of Statutory Auditors to hold office from the conclusion of the 20th Annual General Meeting till the conclusion of the 21st Annual General Meeting, subject to ratification at the every Annual General Meeting of the Company.

The observation of the Auditors, together with the Notes to Accounts referred to in the Auditors' Report, are self explanatory and do not call for any further explanation from the Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(5) of the Companies Act, 2013 (erstwhile section 217(2AA) of the Companies Act, 1956) with respect to the Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the Accounts for the period ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, as explained in earlier paragraph;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on a 'going concern' basis, for the period ended March 31, 2014;
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.

PARTICULARS OF EMPLOYEES:

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that there are no employees who are in receipt of remuneration of Rs.60,00,000/- or more per annum or Rs.5,00,000/- or more per month where employed for a part of the year.

PUBLIC DEPOSITS:

The Company has not accepted any fixed deposits as on 31st March, 2014 so as to attract the provisions of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of the Deposits) Rules, 1975 as amended from time to time.

NEW COMPANIES BILL 2013

The new Companies Bill is a landmark in the history of Corporate India. The bill is a step towards globalization and is an attempt to meet the changing environment and is progressive and futuristic duly envisaging the technological and legal developments. Your Company will transform its policies / provisions / etc., to be in conformity with the new Companies Bill.

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

Company's operations require electrical energy for its use in air conditioning the premises, for power supply to computer systems and lighting which are not energy intensive. However, adequate measures have been taken to reduce energy consumption, wherever possible.

Technology absorption

Your company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

To support its growth plans, the company continues to invest in global solutions that are configured consistently for its core business processes.

Research & Development

Your company will continue to focus and invest in its R & D activities in software engineering, technologies and products. Your company leverages its excellence in technology for producing World Class Products and solutions. The continual exposure to new technologies has helped maintain high motivation levels in employees and to generate higher levels of productivity, efficiency and quality. Your company continues to give due importance to research and development to maintain its leadership in the field of leading edge technologies.

Foreign Exchange Earnings & Outgo

Particulars	FY2013-14	FY2013-14
Foreign Exchange Earnings:	-	Rs.11,900,000
Foreign Exchange Outgo :	-	-

MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming part of the Annual Report

HUMAN RESOURCES

Your Company believes that Competent Human Resources are the driving force for any Organization that enables a company to grow in leaps and bounds. The Company has been able to create a favorable work environment that encourages continuous learning and thereby leading to innovation. 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.

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 is attached to the report on corporate governance.

STATEMENT PURSUANT TO LISTING AGREEMENT

The equity shares of the company are listed with the Bombay stock exchange (BSE) and Ahmedabad Stock Exchange (ASE). Your company has paid the respective Annual Listing Fees up-to-date.

ACKNOWLEDGMENTS:

Your Company is grateful to the customers and business partners for their support and encouragement especially in the time of slow economic growth. Your Board is appreciative of the passion, dedication and commitment demonstrated on the job by all the employees. Your Directors wish to place on record their gratitude to the Customers, Government, Financial Institutions, Banks and Shareholders for their continuing support, guidance, and assistance over the years.

For and on behalf of Board of Directors

Place: Mumbai

Date: 29.05.2014

Sd/-

Srinivasa Reddy Arikatla
Chairman & Managing Director

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

(Forming part of Directors' Report)

Pursuant to Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis Report is given below:

Forward-Looking Statements

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectation may be forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downward trend in the domestic industry, rise in input costs, exchange rate fluctuation, and significant change in political and economic environment in India, environment standards, tax laws, litigation and labour relation

INDUSTRY STRUCTURE AND DEVELOPMENTS

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives, such as revenue growth, profitability and asset efficiency.

Technology has evolved from merely driving cost efficiency. It is now also driving tangible business value. The ability to define, design, develop, implement and maintain advanced technology platforms and business solutions to address business needs has become a competitive advantage and a priority for corporations worldwide. As a result, there is an increasing need for highly-skilled professionals in the market to help corporations transform their business, optimize operations and drive innovation by leveraging technology

INCREASING TREND TOWARDS OFFSHORE TECHNOLOGY SERVICES

Corporations are increasingly turning to offshore service providers to meet their need for higher quality and cost-competitive technology solutions. As a result, offshore service providers have become critical to the operations of many enterprises and these service providers continue to grow in recognition and sophistication. In view of this, the addressable market for offshore technology services has expanded.

THE INDIA ADVANTAGE

India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM Press release issued in February, 2014, IT-BPM exports (IT services and Business Process Management) from India are estimated to grow in fiscal 2015 by 13-15%, to US \$97-99 billion. There are several key factors contributing to the growth of IT and IT-enabled services (ITES) in India and by Indian companies.

OPPORTUNITIES

The company, on a continuous basis, scans the market for scalable opportunities and has over the past twelve months identified some key areas of growth opportunities. These opportunities are in the areas of Health, Education sector. The company is making concerted efforts and investments to move up the value chain in its chosen markets and acquiring new competencies and services. It includes strengthening of domain knowledge, hiring highly talented sales and marketing managers, restructuring of businesses, project management and investments in new geographies. The company continues to strengthen and build relationships with its current and prospective customers as well as its global delivery model to ensure a low total cost of ownership for the customer.

RISK AND CONCERNS

Following are some of the major risks, which the management believes form a part of the company's business and the company seriously engaged itself to mitigate them.

Financial Risks - foreign currency rate fluctuations

Business Portfolio Risks - include vertical domain concentration, service concentration, client concentrations and geographical concentration.

Legal and Statutory Risks – include contractual liabilities & statutory compliances **Competition Risks** - New competitors may enter the markets in which the company operates

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Management Information Systems is the back bone of our internal control mechanism. The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment procurement, finance and administration marketing and personnel departments. The Company also has internal Audit system commensurate with its size and nature of business. The Audit Committee reviews the internal audit reports and the adequacy of internal controls from time to time.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. The Management of the Company accepts responsibility for the integrity and objectivity of the financial statements as well as for the various estimates used therein. The financial statements have been prepared on a prudent basis to reflect an accurate picture of the Company's state of affairs.

During the year under review Ajel has achieved a turnover in lakhs of Rs.4575.57 and Profit / (Loss) after tax of (Rs. 353.91).

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your company believes that successful organizations emanate from successful people who achieve that success from within the organization. Hence it's the organization's responsibility to define the growth & success blue print of every member working for it. Based on some of the successful industry practices, a comprehensive career management model has been devised for your company, primarily driven by parameters such as group and individual performance, to determine the growth & success path for each employee.

Your company works continuously towards adopting the best human resource practices in the industry and firmly believes in coming out with creative ideas for promoting customer satisfaction of the highest order. To ensure that employees grow with technology, training programs are conducted by your Company at regular intervals to enable all technical & functional resources be abreast with the latest technologies.

By order of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Chairman & Managing Director

Place: Mumbai

Date: 29.05.2014

REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report)

Your Company is committed to good Corporate Governance against the prescribed standards. As the objective of Corporate Governance is the enhancement of value and protecting the interests of shareholder, your Company aimed at assisting the management in efficient conduct of the business of the Company and in meeting its obligations to shareholders and others.

The Company is in compliance with the requirements of revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, and with the adoption this year, of a code of conduct for Non-Executive Directors also, which has been put on in the website of the company at www.ajel.in

1. BOARD OF DIRECTORS:

As on March 31, 2014, Ajel's Board consists of 7 Members. The Board comprises 2 Executive Directors and 5 Non-Executive Independent Directors, which composition is in compliance with the clause 49 of the Listing Agreement

2. BOARD MEETINGS:

The Board of Directors met 8 times during the year on 29th May, 2013, 17th June, 2013, 22nd July, 2013, 14th August, 2013, 11th November, 2013, 14th November, 2013, 14th February, 2014 and 25th February, 2014. The necessary quorum was present for all meetings.

The company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

Directors' attendance record and Directorships held

As mandated by the clause 49, none of the Directors are member of more than 10 Board level committees, nor are they Chairman of more than five committees in which they are members.

Attendance of each Director at the Board Meetings and the last AGM and their Category.

Name of the Director	Category	Number of Board Meeting held during the tenure	No. of meetings Attended	Whether Attended Last AGM	No. of other director ships *	Committee member ships	Committee Chariman ship
Mr. Arikatla Srinivasa Reddy DIN: 01673552	Chairman & Managing Director	08	07	YES	-	-	-
Mr. Vijay S. Chokshi (Whole Time Director) DIN: 00693254	Non-Promoter Executive	08	07	YES	-	-	-
Mr. Darshan D Majmudar DIN: 01655973	Independent, Non-Executive	08	04	YES	-	-	-
Mr. Jadda Amara Reddy DIN: 02634641	Independent, Non-Executive	08	05	YES	-	-	-
Mr. Mahender R. Musuku DIN: 01974643	Independent, Non-Executive	08	04	NO	-	-	-
Ms. Vasantha Madasu DIN: 03591771	Independent, Non-Executive	08	04	NO	-	-	-
Mr. Vijay Kumar Ravindra Nath *	Independent, Non-Executive	08	01	NO	-	-	-

* Appointed w.e.f 25-02-2014

The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, section 25 companies and private limited companies.

3. AUDIT COMMITTEE:

During the year under review Five (5) meetings were held for approval of Unaudited Financial Results and Audited results. The constitution of the Committee and the attendance of each member of the Committee are given below:

Sl.No.	Name of the Director	Nature of Directorship	No. of meetings held during the tenure	No. of meetings attended
1	Ms. Vasantha Madasu	Chairman	5	4
2	Mr.Darshan Majmudar	Member	5	4
3	Mr. Jadda Amara Reddy	Member	5	4

The Meetings of Audit Committee were also attended by the representatives of Statutory Auditor as Invitees. The Unaudited financial results for each quarter are recommended by the Audit Committee before passed on to the Board of Directors for approval and adoption.

- Financial reporting process.
- Draft financial statements and auditor's report (before submission to the Board.
- Accounting policies and practices.
- Internal controls and internal audit systems.
- Risk management policies and practices.
- Internal audit reports and adequacy of internal audit function.

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan and fixation of audit fee and also approval of payment of fees for any other services.

4. REMUNERATION COMMITTEE:

To formulate remuneration policy and approved the remuneration or revision in the remuneration payable to executive directors/whole time directors. 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.

The Remuneration Committee is constituted as follows.

Sl.No.	Name of the Director	Nature of Directorship	Membership
1	Ms. Vasantha Madasu	Independent Director	Chairman
2	Mr.Darshan Majmudar	Independent Director	Member
3	Mr. Jadda Amara Reddy	Independent Director	Member

The terms of reference of the remuneration committee are as follows:

The Remuneration committee recommends to the board, the compensation terms of the Executive Directors

- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including Pension Rights and any Compensation Payment.
- Considering approving and recommending to the board the changes in the designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in determining the remuneration package while striking a balance between the interest of our company and the shareholders.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(Formerly Known as Shareholders'/Investors' Grievance Committee)

The Board of directors at their meeting has re-designated the Shareholder'/Investors' Grievance Committee as the Stakeholders' Relationship Committee in order to align with the requirement of the Companies Act, 2013.

The Board constituted an investors' grievance committee which looks into shareholders and investors grievances under the Chairmanship of Mr. Arikatla Srinivasa Reddy, who is an Chairman and Managing director of the Company. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non- receipt of balance sheet, non -receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Board of Directors has delegated the power of approving transfer of securities to Officer in-charge of Registrar and Share Transfer Division of the company (In-house).

Sl.No.	Name of the Director	Nature of Directorship	Membership
1	Ms. Vasantha Madasu	Independent Director	Chairman
2	Mr.Darshan Majmudar	Independent Director	Member
3	Mr. Jadda Amara Reddy	Independent Director	Member

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 31-03-2014.

VI. GENERAL BODY MEETINGS:

Details of Annual General Meetings: Location and time of the last three AGM's.

AGM	Location	Date & Time
2010 - 11 AGM	Gardenia Banquets, Gardenia Restaurant, Junction of JP Road, Veera Desai Road, Andheri West, Mumbai.	12.09.2011 09.30 AM
2011 - 12 AGM	The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai 400053	29.08.2012 11.00 AM
2012 - 13 AGM	The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri West, Mumbai 400053	01.08.2013 10.00 AM

- No Ballots Papers were used for voting at above meetings.
- No Postal Ballot were conducted during the year.

VII. DISCLOSURES:

- a) Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
- b) Details of non-compliance by the company, penalties, Strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

VIII. GENERAL SHAREHOLDERS INFORMATION

- a) 20th Annual General Meeting :

Date and Time	Tuesday the 30th September 2014 at 10.00 AM
Venue	The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri (W), Mumbai.

- b) **Book Closure Date** : September 29, 2014 to September 30, 2014 (inclusive of both days)

c) Financial Calendar (Tentative) 2014-15:

Financial reporting for the quarter ending	30.06.2014	by 4th week of July 2014
Financial reporting for the quarter ending	30.09.2014	by 4th week of October 2014
Financial reporting for the quarter ending	31.12.2014	by 4th week of January 2015
Financial reporting for the year ending	31.03.2015	by 4th week of May 2015

- d) **Listing on Stock Exchange** : Bombay Stock Exchange Limited

- e) **Listing Fees** : Listing fee for the year 2014-15 has been paid.

- f) **Stock Code** : BSE : 530713

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

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

Month	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April 2013	5.7	3.81	14239
May 2013	4.91	4.1	5827
June 2013	7.09	4.9	1525
July 2013	8	6.97	14948
August 2013	7.24	6.44	1205
September 2013	6.67	6.28	1451
October 2013	5.97	4.02	2496
November 2013	4.93	3.66	2965
December 2013	6.24	4.18	3854
January 2014	6.5	4.55	873
February 2014	4.33	2.78	12923
March 2014	2.66	1.82	37069

i) Registrar & Share Transfer Agents : In-house Share Transfer
(for shares held in both physical and demat mode)

j) 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.

k) Shareholding Pattern as on 31st March, 2014:

Category	No. of Shares held	%
Promoters	5711050	49.02
Mutual Funds & UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies, & FI	Nil	Nil
Private Corporate Bodies	323487	2.78
Indian Public	5602475	48.09
NRIs / OCBs	12988	0.11
Foreign Nationals	Nil	Nil
Any other (please specify)	Nil	Nil
TOTAL	11650000	100.00

m) Dematerialization of Shares:

Since the Company has entered into an arrangement with both the depositories, namely NSDL and CSDL for dematerialization of its shares, the shareholders of the Company are free to dematerialize their shares and keep them in dematerialized form with any depository Participant. The Company shares are regularly traded on The Stock Exchange, Mumbai. 90.97% of the Company's share capital is dematerialized as on 31.03.2014.

n) Offshore Development Centre's:**Hyderabad**

Plot No. 36, Shilpi Valley, Madhapur, Hyderabad - 500 033 Telangana

o) 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:

The Compliance Officer,

Ajel Limited,

106, 2nd Floor, Mahadashopping Complex,

New Link Road, Jogeshwari, Mumbai – 400102

Email: investors@ajel.com

p) CEO/ CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

q) Means of Communication:

The quarterly & half-yearly un-audited financial results and annual audited results of the Company were published in English newspaper(s) as well as regional language newspaper circulating in the state of Maharashtra. The results are also displayed on the Company's website "www.ajel.com".

r) 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.

s) Secretarial Audit:

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

t) 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: Mumbai
Date: 29.05.2014

CIN: L67120MH1994PLC076637
Website: www.ajel.in
Email: investors@ajel.com

Registered Office
106, 2nd Floor, Mahadashopping Complex,
New Link Road, Jogeshwari, Mumbai - 400102
Tel: +91 22 2630 3342 Tel: +91 22 2630 3348
Fax: +91 22 2634 9264

For and behalf of the Board
AJEL LIMITED
Sd/-
SRINIVASA REDDY ARIKATLA
Chairman & Managing Director

Certification as required under Revised Clause 49 of the Listing Agreement

We, in our respective capacities as Chief Executive Officer (Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Ajel Limited ("the Company"), Certify that :

1. We have reviewed the Balance Sheet, Profit and Loss Account, and its Schedules and Notes on Accounts, as well as the Cash Flow statement and the Directors Report for the financial year ended 31st March, 2014.
2. Based on our knowledge and information, these statements do not contain any un true statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. The Company's other certifying officers and we are responsible for establishing and maintaining disclosure controls and procedures for the company, and we have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared, and
 - b) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. We have disclosed to the Company's auditors and the audit committee
 - a) all significant changes in internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

Place: Mumbai
Date: 29.05.2014

For and behalf of the Board
AJEL LIMITED
Sd/-
SRINIVASA REDDY ARIKATLA
Chairman & Managing Director

**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS POLICY
OF THE COMPANY BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL.**

This is to confirm that the company has adopted code of conduct and Ethics policy for the Board of Directors and Associates of the Company, which is available at www.ajel.in

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2014.

Place: Mumbai
Date: 29.05.2014

For and behalf of the Board
AJEL LIMITED
Sd/-
SRINIVASA REDDY ARIKATLA
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Ajel Limited,

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended March 31, 2014.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned 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

for **BOPPUDI & ASSOCIATES**

Place: Hyderabad
Date: 29.05.2014

Chartered Accountants

B. APPA RAO
Partner
M.No. 028341
FRN 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, 2014, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

The financial statements of branch of the company located in the USA, is audited by M/s. Sid Kumar & Associates LLC. Hence we have relied on the financial statements as submitted by them. The total assets of the branch are Rs. 400.85 lakhs and total revenues are 830.84 lakhs for the year ended on 31st March 2014.

Opinion

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

- a. in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

BOPPUDI & ASSOCIATES
Chartered Accountants

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Place: Hyderabad
Date: 29.05.2014

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 accepted auditing practices in India and also based on Management with generally 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 except the following.

S.No.	Name of the Statute	Nature of Dues	Amount Rs.	Period for which the amount relates
1	TDS	Statutory	6,68,819.00	2013-2014
2	Provident Fund	Statutory	3,96,680.00	2013-2014
3	ESI	Statutory	4,14,867.00	2013-2014
4	Professional Tax	Statutory	71,700.00	2013-2014
5	Service Tax	Statutory	69,17,189.00	2013-2014
6	Income Tax Payable on US Branch Profit	Statutory	32,28,848.00	2012-2013
		Grand Total	1,16,98,103.00	

10. 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.
11. 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.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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.
14. The Company has not dealt or traded in shares, securities, debentures and other investments during the year.
15. 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 2014
16. According to the information and explanations given to us, The company has not raised any term loans.
17. 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.
18. 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.
19. The Company has not issued any debentures and hence creation of necessary security or charge does not arise.
20. The Company has not raised any money by public issue during the year.
21. 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. 00502S

Place: Hyderabad

Date: 29.05.2014

AJEL LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rs.)

	Particulars	Note No.	Figures for the Current reporting period as at 31/03/2014	Figures for the Previous reporting period as at 31/03/2013
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	5,797,844	1,980,767
	(ii) Share Application Money Pending	2.3	10,800,000	10,800,000
	(iii) <u>Non Current Liabilities</u>			
	(a) Long Term Borrowings	2.4	1,713,714	1,906,159
	(b) Deferred Tax Liabilities (Net)	2.5	5,086,711	4,851,593
	(iv) <u>Current Liabilities</u>			
	(a) Short Term Borrowings	2.6	24,161,520	26,862,576
	(b) Trade Payables	2.7	18,019,336	18,019,336
	(c) Other Current Liabilities	2.8	18,899,375	14,443,966
	(d) Short Term Provisions	2.9	5,152,348	3,549,151
	TOTAL		195,351,745	189,913,548
II	<u>ASSETS</u>			
	(i) <u>Non Current Assets</u>			
	(a) Fixed Assets	2.10		
	- Tangible Assets		13,932,210	14,795,268
	- Intangible Assets		4,400,000	6,400,000
	(b) Non Current Investments	2.11	71,500,000	71,500,000
	(c) Deferred Tax Assets (Net)	2.12	402,146	0
	(d) Other Non Current Assets	2.13	0	35,350
	(ii) <u>Current Assets</u>			
	(a) Trade Receivables	2.14	79,357,237	69,891,600
	(b) Cash and Cash Equivalents	2.15	54,293	302,294
	(c) Short Term Loans and Advances	2.16	24,328,097	25,561,304
	(d) Other Current Assets	2.17	1,377,732	1,427,732
	TOTAL		195,351,745	189,913,548

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: Mumbai

Date: 29.05.2014

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Director

AJEL LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2014

(Amount in Rs.)

	Particulars	Note No.	Figures for the current reporting period ended on 31/03/2014	Figures for the Previous reporting period ended on 31/03/2013
I	Revenue from Operations	3.1	92,885,912	91,060,309
II	Other Income	3.2	740,000	920,000
III	Total Revenue (I+II)		93,625,912	91,980,309
IV	<u>Expenses</u>			
	(a) Employee Benefit Expenses	3.3	78,449,285	68,753,189
	(b) Finance Costs	3.4	218,337	187,636
	(c) Depreciation and Amortization Expenses	3.5	2,416,864	2,277,693
	(d) Administrative and Other Expenses	3.6	7,599,413	7,858,971
	Total Expenses		88,683,898	79,077,490
V	Profit before Exceptional and Extraordinary items and Tax (III-IV)		4,942,013	12,902,819
VI	Exceptional Items		0	0
VII	Profit before Extraordinary items and Tax (V-VI)		4,942,013	12,902,819
VIII	Extraordinary Items		-	-
IX	Profit Before Tax (VII-VIII)		4,942,013	12,902,819
X	<u>Tax Expense</u>			
	(a) Current Tax		1,527,082	4,938,848
	(b) Deferred Tax		-402,146	121,727
XI	Profit / (Loss) for the period		3,817,077	7,842,244
XVI				
	(a) Basic and Diluted		0.36	0.73
	(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
Whole Time Director

Place: Mumbai
Date: 29.05.2014

AJEL LIMITED	
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014	
	2013-14
	Rs
A. Cash flow from operating activities:	
Net Profit before tax	4,942,013
Adjustments for:	
Depreciation	2,381,514
Preliminary Expenses written off	35,350
Operating profit before working capital changes	7,358,877
Adjustments for:	
Trade & other receivables	(9,465,637)
Trade Advance & Deposits	1,283,177
Trade Payable & Other Liabilities	4,279,503
Shor term borrowings	(2,701,056)
Cash generated from operations	754,863
Direct Taxes	1,527,082
Net Cash from operating activities	(772,219)
B. Cash flow from investing activities:	
Sale of Fixed assets	481,544
Net cash used in investing activities	481,544
C. Cash flow from financing activities:	
Repayment of Long Term borrowings	(192,445)
Deferred Liability	235,118
Net cash used in financing activities	42,673
Net increase in cash and cash equivalents	(248,002)
Cash & Cash equivalents as at 01.04.2013	302,294
Cash & Cash equivalents as at 31.03.2014	54,292
Place: Mumbai	For and on behalf of the Board
Date : 29.05.2014	Sd/-
	AMARA REDDY JADDA
	Director
	Sd/-
	SRINIVASA REDDY ARIKATLA
	Managing Director
<u>AUDITORS CERTIFICATE</u>	
We have examined the attached Consolidated Cash Flow Statement of Ajel Limited for the period ended 31st March, 2014. 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: Mumbai	
Date : 29.05.2014	

**SCHEDULE 2.10
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (COST)					DEPRECIATION				NET BLOCK	
	AS ON 01.04.2013	Addition Adjustment	Deduction Adjustment	AS ON 31.03.14	AS ON 31.03.13	For the Year	Addition Adjustment	AS ON 31.03.14	AS ON 31.03.14	AS ON 31.03.13	
Land & Building (Office Premises) Plant & Machinery (Computers, Computer Printers & Accessories)	11,199,328	-	-	11,199,328	371,266	30,308	-	401,574	10,797,754	10,828,062	
Vehicles	5,341,012	-	-	5,341,012	5,022,406	34,696	-	5,057,102	283,910	287,292	
Office Equipments	3,966,122	1,482,712	2,465,536	2,981,298	231,847	294,463	-	526,310	2,454,988	3,444,424	
Furniture & Fixtures	234,845	-	-	234,845	151,919	11,714	-	163,633	71,212	71,268	
Air conditioner	2,692,879	-	-	2,692,879	2,384,813	5,310	-	2,390,123	302,756	137,609	
	30,990	-	-	30,990	4,377	5,023	-	9,400	21,590	26,613	
Total	23,465,176	1,482,712	2,465,536	22,480,352	8,166,628	381,514	-	8,548,142	13,932,210	14,795,268	
INTANGIBLE ASSET											
SOFTWARE PRODUCTS	8,000,000	-	-	8,000,000	1,600,000	2,000,000	-	3,600,000	4,400,000	-	
	31,465,176	1,482,712	2,465,536	30,480,352	9,766,628	2,381,514	-	12,148,142	18,332,210	14,795,268	
Previous Period	21,918,800	9,546,376	-	31,465,176	8,131,943	2,137,293	672	10,269,908	21,196,268	13,786,857	

AJEL LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2014

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 31/03/2014	As at 31/03/2013
(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 31/03/2014	As at 31/03/2013
(i) <u>Equity Shares</u> No. of Equity Shares at the beginning of reporting period	10,750,000	10,750,000
Add: Shares issued on preferential allotment basis	-	0
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 31/03/2014		As at 31/03/2013	
	No. of Shares	in %	No. of Shares	in %
Mr. Arikatla Srinivasa Reddy, Managing Director	4,483,457	41.70%	4,541,631	42.25%
Mrs. Vasantha Madasu, Director	600,000	5.58%	600,000	5.58%
Mr. Surender Reddy Bhimavarapu, promoter	1,019,500	9.48%	1,019,500	9.48%

2.2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) <u>Securities Premium Reserve</u> Opening Balance	1,200,000	1,200,000
Add: Appropriation during the period	0	0
Closing Balance	1,200,000	1,200,000
(ii) <u>Surplus</u> Opening Balance	780,767	(7,061,477)
Add: Profit for the year as per Statement of Profit & Loss	3,817,077	7,842,244
Total Profit available for Appropriation	4,597,844	780,767
Closing Balance	4,597,844	780,767
Grand Total	5,797,844	1,980,767

2.3 Share Application Money Pending Allotment

The company has proposed to issue 12,00,000 number of shares before 30/09/2013 (likely date/period), for which the company has received a sum of `Rs. 87,40,000/- (Rupees Eighty seven lakhs forty thousand only) from the subscribers. 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.

2.4 Long Term Borrowing

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(ii) <u>Car Loans</u>		
(a) From Banks		
- Secured	1,713,714	1,906,159
(b) From Other Parties		
- Unsecured	-	0
Total	1,713,714	1,906,159

2.5 Deferred Tax Liabilities (Net)

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) <u>Deferred Tax Liabilities</u>		
Depreciation and Amortization	0	224,950
Foreign branch profit tax	5,086,711	4,626,643
	5,086,711	4,851,593

2.6 Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(ii) Loans Repayable on Demand		
(a) From Directors	15,890,429	17,561,276
(e) From Others	8,271,091	9,301,300
(iii) Deposits		
Total	24,161,520	26,862,576

2.7 Trade Payables

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Trade Payables For Goods		
Trade Payables For Direct Expenses	16,240,233	18,019,336
Total	16,240,233	18,019,336

2.8 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Advances From Customers	721,010	731,891
Share Application Money Liable to be Refunded	2,500	2,500
Statutory Liabilities	8,469,256	7,088,371
Other Payables	9,706,609	6,621,205
Total	18,899,375	14,443,967

2.9 Short Term Provisions

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Provision for Tax	2,983,076	1,334,267
Other Short Term Provisions	2,169,272	2,214,884
Total	5,152,348	3,549,151

2.11 Non Current Investments

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
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 31/03/2014	As at 31/03/2013
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 31/03/2014	As at 31/03/2013
(i) Deferred Tax Liabilities		
Depreciation and Amortization	402,146	-
Others	-	-
Deferred Tax Assets (Net)	402,146	-

2.13 Other Non Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Preliminary Expenses		
Opening Balance	35,350	175,750
Less: Amortization during the period	35,350	140,400
Closing Balance	-	35,350

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

2.14 Trade Receivables

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Trade Receivables due by Directors or Related Parties		
(i) Exceeding Six Months		
(a) Unsecured, Considered Good	7,560,028	12,843,173
(ii) Others		
(a) Unsecured, Considered Good	12,350,000	11,000,000
Trade Receivables due by Others		
(i) Exceeding Six Months		
(a) Unsecured, Considered Good	4,775,031	5,107,119
(ii) Others		
(a) Unsecured, Considered Good	54,672,178	40,941,308
Total	79,357,237	69,891,600

2.15 Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Balances with Banks	40,824	262,979
Cash on Hand	13,469	39,315
Total	54,293	302,294

2.16 Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) Balance with Revenue Authorities		
(a) Service Tax Credit Receivable	1,234,956	1,218,654
(b) TDS Receivable	3,358,178	4,945,186
(c) Others	1,907,055	1,829,055
(ii) Loans and Advances to Related Parties		
(a) Unsecured, Considered Good	9,187,750	8,922,250
(iii) Other Short Term Loans and Advances		
(a) Unsecured, Considered Good	8,640,158	8,646,158
Total	24,328,097	25,561,303

2.17 Other Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Deposit - Others	84,900	84,900
Other Receivables (Current)	1,292,862	1,342,832
Total	1,377,762	1,427,732

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 31/03/2014	As at 31/03/2013
Consulting Services	92,716,787	76,110,309
Software Development services	169,125	14,950,000
Total	92,885,912	91,060,309

3.2 Other Income

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Interest Income	-	-
Net Gain / (Loss) on Foreign Exchange	-	-
Other Indirect Income (Net of expenses directly attributable)	740,000	920,000
Total	740,000	920,000

3.3 Employee Benefit Expenses

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Salaries and Wages	78,119,196	68,295,195
Contributions to ESI	42,164	112,735
Contributions to Provident Fund	17,556	51,170
Staff Welfare Expenses	270369	294,089
Other Allowances to Employees	0	0
Total	78,449,285	68,753,189

3.4 Finance Costs

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Interest Expense	218,337	187,636
Total	218,337	187,636

3.5 Depreciation and Amortization Expenses

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Depreciation on Fixed Assets	2,381,514	2,137,293
Preliminary Expenses amortized during the period	35,350	140,400
Total	2,416,864	2,277,693

3.6 Administrative and Other Expenses

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Power and Fuel	287,133	346,218
Rent	555,485	872,534
Repairs to Machinery	219,875	1,090,619
Legal & Professional fees	959,423	550,616
Insurance	55,116	45,000
Rates and Taxes, excluding Taxes on Income	676,845	547,657
Conveyance	87,580	73,833
Traveling Expenses	87,537	221,118
Telephone and Communication Expenses	412,657	639,092
Audit Fees	100,000	100,000
Sundry Writoffs	-	-
Net Gain / (Loss) on Foreign Exchange	-	-
Other expenses	4,157,762	3,372,284
Total	7,599,413	7,858,971

4. Payment to Auditors:

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(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	92,716,787
	(76,110,309)
(ii) Software development services	169,125
	(14,950,000)

Note: Figures shown in Brackets represent previous year figures.

6. Related Party Transactions

As at March, 31, 2014

Particulars	Subsidiaries	Directors	Relative of Directors	Total for the year
Managing Directors remuneration	-	1,200,000	-	1,200,000
Capital advances	9,187,750	13,589,865	150,000	22,927,615

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
Relatives of Directors	Mr. Madasu Rama Rao, is a relative on one of the the directors Mrs. Madasu Vasantha

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
Whole Time Director

Place: Mumbai

Date : 29.05.2014

AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors of AJEL LIMITED

We have audited the attached Consolidated Balance Sheet of AJEL LIMITED and its subsidiaries (collectively referred to as 'the group') as at March 31, 2014 and the Consolidated Profit and Loss Account of the company for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. The financial statements of M/s Ajel Technologies, Inc subsidiary of subsidiary and US branch office of Ajel Limited is audited in USA by M/s. Sid Kumar & Associates LLC. Hence we have relied on the financial statements as submitted by them. The total assests of the above subsidiary is Rs.2329.57 lakhs and total revenues of Rs. 3639.31 lakhs for the year ended on that date.
3. We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of accounting standard 21, 'Consolidated Financial Statements' as referred to in sub-section (3C) of section 211 of the Companies Act, 1956 and on the basis of the separate audited financial statements of the company and its subsidiary included in the consolidated financial statements.
4. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956.
5. On the basis of the information and explanations given to us and on consideration of the separate audit report on individual audited financial statements of the Company and its aforesaid subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with accounting policies generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2014;
 - b) in the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended March 31, 2014.

BOPPUDI & ASSOCIATES
Chartered Accountants

Sd/-

B. APPA RAO

Partner

M.No. 028341

Firm Reg. No. 00502S

Place: Mumbai

Date: 29.05.2014

AJEL LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rs.)

	Particulars	Note No.	Figures for the current reporting period ended on 31/03/2014	Figures for the previous reporting period ended on 31/03/2013
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	48,252,828	83,644,012
	(ii) Share Application Money Pending	2.3	10,800,000	10,800,000
	(iii) <u>Non Current Liabilities</u>			
	(a) Long Term Borrowings	2.4	1,713,714	4,102,159
	(b) Deferred Tax Liabilities (Net)	2.5	44,076,904	40,212,086
	(iv) <u>Current Liabilities</u>			
	(a) Short Term Borrowings	2.6	122,147,170	115,845,882
	(b) Trade Payables	2.7	22,368,377	40,218,974
	(c) Other Current Liabilities	2.8	49,105,694	15,197,851
	(d) Short Term Provisions	2.9	5,152,348	3,445,928
	TOTAL		411,117,035	420,966,892
II	<u>ASSETS</u>			
	(i) <u>Non Current Assets</u>			
	(a) Fixed Assets	2.10		
	- Tangible Assets		17,837,653	20,723,228
	- Intangible Assets		107,921,816	113,162,366
	(b) Non Current Investments	2.11	0	0
	(c) Deferred Tax Assets (Net)	2.12	402,146	45,855
	(d) Other Non Current Assets	2.13	0	0
	(ii) <u>Current Assets</u>			
	(a) Trade Receivables	2.14	254,348,708	254,371,044
	(b) Inventories		-	0
	(c) Cash and Cash Equivalents	2.15	12,288,232	10,617,687
	(d) Short Term Loans and Advances	2.16	25,940,717	20,618,980
	(e) Other Current Assets	2.17	1,377,762	1,427,732
	TOTAL		411,117,035	420,966,892

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: Mumbai

Date: 29.05.2014

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Whole Time Director

AJEL LIMITED**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2014**

(Amount in Rs.)

	ParticularsNote	No.	Figures for the current reporting period ended on 31/03/2014	Figures for the current reporting period ended on 31/03/2014
I	Revenue from Operations	3.1	456,817,107	583,317,617
II	Other Income	3.2	740,000	5,097,955
III	Total Revenue (I+II)		457,557,107	588,415,572
IV	<u>Expenses</u>			
	(a) Employee Benefit Expenses	3.3	423,022,899	527,462,864
	(b) Finance Costs	3.4	3,898,467	4,507,966
	(c) Depreciation and Amortization Expenses	3.5	11,712,683	8,926,022
	(d) Administrative and Other Expenses	3.6	53,189,306	27,011,951
	Total Expenses		491,823,355	567,908,803
V	Profit before Exceptional and Extraordinary items and Tax (III-IV)		- 34,266,248	20,506,769
VI	Exceptional Items		0	0
VII	Profit before Extraordinary items and Tax (V-VI)		- 34,266,248	20,506,769
VIII	Extraordinary Items		0	0
IX	Profit Before Tax (VII-VIII)		- 34,266,248	20,506,769
X	<u>Tax Expense</u>			
	(a) Current Tax		1,527,082	4,938,848
	(b) Deferred Tax		- 402,146	121,727
XI	Profit / (Loss) for the period		- 35,391,184	15,446,194
XII	Profit / (Loss) form Discontinuing Operations		0	0
XIII	Tax Expenses of Discontinuing Operations		0	0
XIV	Profit / (Loss) form Discontinuing Operations after (XII-XIII)		0	0
XV	Profit / (Loss) for the period (XI+XIV)		- 35,391,184	15,446,194
XVI	<u>Earnings Per Equity Share</u>			
	(a) Basic and Diluted		- 3.29	1.44
	(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

Whole Time Director

Place: Mumbai

Date: 29.05.2014

AJEL LIMITED	
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014	
	2013-14
	Rs
A. Cash flow from operating activities:	
Net Profit before tax and extraordinary items	(34,266,248)
Adjustments for:	
Depreciation	8,775,122.00
Preliminary Expenses written off	150,900.00
Operating profit before working capital changes	(22,553,565)
Adjustments for:	
Trade and Other Receivables	9,022,336
Trade Advances & Deposits	(5,271,767)
Trade Payable & Other Liabilities	17,763,666
Short Term Borrowings	6,301,288
Cash generated from operations	5,261,957
Direct Taxes	1,527,082
Net Cash from operating activities	3,734,875
B. Cash flow from investing activities:	
Purchase of fixed assets	(3,540,704)
Net cash used in investing activities	(55,137,861.00)
C. Cash flow from financing activities:	
Proceeds from issue of share capital with premium	
Proceeds from Share application money pending allotment	
Repayment of Longterm borrowings	(2,388,445)
Deferred Liability	3,864,818
Net cash used in financing activities	1,476,373
Net increase in cash and cash equivalents	1,670,545
Cash & Cash equivalents as at 01.04.2013	10,617,687
Cash & Cash equivalents as at 31.03.2014	12,288,232
Place: Mumbai	For and on behalf of the Board
Date : 29.05.2014	Sd/- AMARA REDDY JADDA Director
	Sd/- SRINIVASA REDDY ARIKATLA Managing Director
AUDITORS CERTIFICATE	
We have examined the attached Consolidated Cash Flow Statement of Ajel Limited for the period ended 31st March, 2014. 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	
Place: Mumbai	Sd/-
Date : 29.05.2014	B. APPA RAO Partner
	M.No. 028341 Firm Reg. No. 00502S

SCHEDULE 2.10
FIXED ASSETS

PARTICULARS	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2014	Addition Adjustment	Deduction Adjustment	AS ON 31.03.14	AS ON 31.3.2013	For the Year	Addition Adjustment	AS ON 31.03.14	AS ON 31.3.2014	AS ON 31.3.2011
TANGIBLE ASSETS										
Land & Building (Office Premises)	11,199,328	-	-	11,199,328	371,266	30,308	-	401,574	10,797,754	10,828,062
Plant & Machinery (Computers, Computer Printers & Accessories)	5,341,012	-	-	5,341,012	5,022,406	34,696	-	5,057,102	283,910	287,292
Vehicles	3,966,122	1,482,712	2,467,536	2,981,298	231,847	294,463	-	526,310	2,454,988	3,444,424
Office Equipments	234,845	-	-	234,845	151,919	11,714	-	163,633	71,212	71,268
Furniture & Fixtures	2,692,879	-	-	2,692,879	2,384,813	5,310	-	2,390,123	302,756	137,609
Air Conditioner	30,990	-	-	30,990	4,377	5,023	-	9,400	21,590	26,613
Assets - Ajel Technologies India Pvt Ltd	3,799,659	-	-	3,799,659	2,623,706	208,774	-	2,832,480	967,179	1,122,394
Assets - Ajel Technologies, Inc.	11,107,937	-	-	11,107,937	6,302,371	1,867,301	-	8,169,672	2,938,265	4,805,566
Total	38,372,772	1,482,712	-	37,387,948	17,092,705	2,457,589	-	19,550,294	17,837,654	20,723,228
INTANGIBLE ASSETS										
SOFTWARE PRODUCTS										
Goodwill - Ajel Technologies India Pvt Ltd	8,000,000	-	-	8,000,000	1,600,000	2,000,000	-	3,600,000	4,400,000	6,400,000
Goodwill - Ajel Technologies, Inc.	64,000,000	-	-	64,000,000	-	-	-	-	64,000,000	64,000,000
Software Product - Ajel Tech. Inc.,	4,150,585	-	-	4,150,585	-	-	-	-	4,150,585	4,150,585
Total	121,191,421	-	-	121,191,421	8,029,055	3,240,550	-	13,269,605	107,921,816	113,162,366
Previous Period	68,150,585	53,040,836	-	121,191,421	-	8,029,055	-	8,029,055	113,162,366	68,150,585

AJEL LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2014

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 31/03/2014	As at 31/03/2013
(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 31/03/2014	As at 31/03/2013
(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		0
Less: No. of Equity Shares bought back during the period		
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 31/03/2014		As at 31/03/2013	
	No. of Shares	in %	No. of Shares	in %
Mr. Arikatla Srinivasa Reddy, Managing Director	4,483,457	41.70%	4,541,631	42.25%
Mrs. Vasantha Madasu, Director	600,000	5.58%	600,000	5.58%
Mr. Surender Reddy Bhimavarapu, promoter	1,019,500	9.48%	1,019,500	9.48%

2.2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) <u>Securities Premium Reserve</u> Opening Balance	1,200,000	1,200,000
Add: Appropriation during the period	-	-
Closing Balance	1,200,000	1,200,000
(ii) <u>Surplus</u> Opening Balance	82,444,012	66,997,818
Add: Profit for the year as per Statement of Profit & Loss	(35,391,184)	15,446,194
Total Profit available for Appropriation	47,052,828	82,444,012
Closing Balance	47,052,828	82,444,012
Grand Total	48,252,828	83,644,012

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 31/03/2014	As at 31/03/2013
(ii) Car Loans		
(a) From Banks		
- Secured	1,713,714	1,906,159
(b) From Other Parties		
- Unsecured	0	2,196,000
Total	1,713,714	4,102,159

2.5 Deferred Tax Liabilities (Net)

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) Deferred Tax Liabilities		
Depreciation and Amortization	0	224,950
Foreign branch profit tax	44,076,904	39,987,136
	44,076,904	40,212,086

2.6 Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) Working Capital Loans / CC Limit / OD Account (with Bank)		
(a) Secured	-	-
(ii) Loans receivable on demand		
(a) From Banks		
- Secured		-
(b) From Directors	47,177,138	47,177,138
(c) From Subsidiary		-
(d) From others	68,593,744	68,593,744
(iii) Deposits	750,000	750,000
Total	122,147,170	115,845,882

2.7 Trade Payables

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Trade Payables For Goods		
Trade Payables For Direct Expenses	22,368,377	40,218,974
Total	22,368,377	40,218,974

2.8 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Advances From Customers	721,010	731,890
Share Application Money Liable to be Refunded	2,500	2,500
Statutory Liabilities	8,469,256	7,088,371
Other Payables	39,912,928	7,375,090
Total	49,105,694	15,197,851

2.9 Short Term Provisions

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Provision for Tax	2,983,076	1,231,044
Other Short Term Provisions	2,169,272	2,214,884
Total	5,152,348	3,445,928

2.11 Non Current Investments

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
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 31/03/2014	As at 31/03/2013
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 31/03/2014	As at 31/03/2013
(i) Deferred Tax Liabilities		
Depreciation and Amortization	402,146	-
Others	-	-
Deferred tax Assets (Net)	402,146	-

2.13 Other Non Current Assets

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Preliminary Expenses		
Opening Balance	45,855	196,755
Less: Amortization During the period	45,855	150,900
Closing Balance	-	45,855

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

2.14 Trade Receivables

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
Trade Receivables due by Directors or Related Parties		
(i) Exceeding Six Months		
(b) Unsecured, Considered Good	7,560,028	12,843,173
(ii) Others		
(b) Unsecured, Considered Good	12,350,000	11,000,000
Trade Receivables due by Others		
(i) Exceeding Six Months		
(b) Unsecured, Considered Good	4,775,031	5,107,119
(ii) Others		
(b) Unsecured, Considered Good	220,663,649	225,420,752
Total	245,348,708	25,4371,044

2.15 Cash and Cash Equivalents

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
Balances with Banks	12,274,644	10,577,982
Cash on Hand	13,588	39,706
Total	12,288,232	10,617,688

2.16 Short Term Loans and Advances

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
(i) Balance with Revenue Authorities		
(a) Service Tax Credit Receivable	1,244,695	1,228,393
(b) TDS Receivable	3,832,111	5,419,119
(c) Others	1,907,055	1,829,055
(ii) Loans and Advances to Related Parties	0	0
(a) Unsecured, Considered Good	9,201,750	14,000
(iii) Other Short Term Loans and Advances	0	0
(a) Unsecured, Considered Good	9,755,106	12,128,412
Total	25,940,717	20,618,979

2.17 Other Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2014	As at 31/03/2013
Deposit - Others	84,900	84,900
Other Receivables (Current)	1,292,862	1,342,832
Total	1,377,762	1,427,732

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 31/03/2014	As at 31/03/2013
Consulting Services	456,647,982	569,717,617
Software Development services	169,125	13,600,000
Income from overseas operations		0
Total	456,817,107	583,317,617

3.2 Other Income

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
Interest Income	-	0
Net Gain / (Loss) on Foreign Exchange	-	0
Other Indirect Income (Net of expenses directly attributable)	740,000	5,097,955
Total	740,000	5,097,955

3.3 Employee Benefit Expenses

(Amount in Rs)

Particulars	As at 31/03/2013	As at 31/03/2012
Salaries and Wages	275,170,258	356,373,542
Contributions to ESI	147,564,716	170,744,064
Contributions to Provident Fund	17,556	51,170
Staff Welfare Expenses	270,369	294,089
Other Allowances to Employees	0	0
Total	423,022,899	527,462,865

3.4 Finance Costs

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
Interest Expense	3,898,467	4,507,966
Total	3,898,467	4,507,966

3.5 Depreciation and Amortization Expenses

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
Depreciation on Fixed Assets	11,666,828	8,775,122
Preliminary Expenses amortized during the period	45,855	150,900
Total	11,712,683	8,926,022

3.6 Administrative and Other Expenses

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
Power and Fuel	919,678	417,673
Rent	555,485	872,534
Repairs to Machinery	235,742	135,499
Legal & Professional fees	959,423	570,616
Insurance	948,750	5,746,039
Consulting Charges		0
Rates and Taxes, excluding Taxes on Income	4,119,423	547,657
Conveyance	87,580	73,833
Travelling Expenses	107,332	1,089,060
Telephone and Communication Expenses	1,874,617	2,464,120
Business promotion		0
Audit Fees	120,000	771,720
Sundry Writoffs	0	0
Net Gain / (Loss) on Foreign Exchange	31,232,684	987,907
Other expenses	12,028,593	13,335,293
Total	53,189,306	27,011,951

4. Payment to Auditors:

(Amount in Rs)

Particulars	As at 31/03/2014	As at 31/03/2013
(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	92,716,787 (77,460,309)
(ii) Software development services	169,125 (13,600,000)

Note: Figures shown in Brackets represent previous year figures.

6. Related Party Transactions

(Amount in Rs)

As at 31/03/2014

Particulars	Subsidiaries	Directors	Total for the year
Managing Directors remuneration	-	1,200,000	1,200,000
Capital Advances	9,187,750	-	9,187,750

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.

- Balances of personal accounts like Unsecured Loans, Receivables, Payables and Loans & Advances are subject to their respective confirmations and reconciliations.
- 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 : Mumbai

Date : 29.05.2014

On behalf of the Board of Directors

Sd/-

Srinivasa Reddy Arikatla

Managing Director

Sd/-

Amara Reddy Jadda

Whole Time 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	-12,622,676	7,327,810	12,450,485	Nil	0	Nil	-475,266	Nil	Nil
AJEL TECHNOLOGIES Inc, USA	USD	59.76	298,800	55,050,639	232,957,038	177,607,599	Nil	363,931,196	Nil	-38,760,021	Nil	Nil

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 20th Annual General Meeting of the Company to be held on Tuesday the 30th day of September 2014 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 2014

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 20th Annual General Meeting of the members of the company on Tuesday the 30th day of September 2014 at 10.00 AM at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri (W), Mumbai.

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

BOOK - POST

If undelivered please return to:

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