



AJCON GLOBAL SERVICES LIMITED

(Formerly known as Ajcon Capital Markets Limited)

Report  junction.com

17th ANNUAL REPORT
2003-2004

AJCON GLOBAL SERVICES LIMITED

Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic,
Mahim (West), Mumbai 400 016



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashok Kumar Ajmera – *Chairman and Managing Director*
Ajay Ajmera
Avinash Tripathi

AUDITORS

G.N.SHANBHAG & CO.
Chartered Accountants
Mumbai

BANKERS

Canara Bank
Corporation Bank

REGISTERED AND CORPORATE OFFICE

101, Samarth,
Lt. P.N. Kotnis Road,
Off. Laxmi Clinic,
Mahim (West),
Mumbai 400 016.
Tel : 022 2446 0335 / 36 / 40
Fax : 022 2446 0339
Email : ajcon@ajcon.net

WEB SITE

www.ajcon.net

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E),
Mumbai 400 072.
Tel No. 022 - 2858 3474 / 2856 0652 / 53
Fax : 91-22-28525207
Email : bigshare@bom7.vsnl.net.in

DEMAT ISIN NO.

INE759C01019

AJCON GLOBAL SERVICES LIMITED

Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic,
Mahim (West), Mumbai 400 016



NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Ajcon Global Services Limited will be held at the Registered Office of the Company on Thursday, September 30, 2004 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adapt the Audited Balance Sheet as at 31st March 2004 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ajay Ajmera who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to hold office from the conclusion of the meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

By Order of the Board

(Ashok Kumar Ajmera)
Chairman

Mumbai

30th June, 2004

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the company at it's Registered Office not less than 48 hours before the meeting.
3. Members / Proxies should bring the Attendance Slip duly filled in and signed for attending the meeting.
4. Shareholders seeking any information with regard to accounts are requested to write to the company at least ten days in advance so as to enable the company to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September 2004 to 30th September 2004 (both days inclusive).
6. Members are requested to send all communications concerning shares etc. to the Company at the registered office at 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic, Mahim (West), Mumbai 400 016.

AJCON GLOBAL SERVICES LIMITED

Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic,
Mahim (West), Mumbai 400 016

**DIRECTORS' REPORT****To
The Members**

Your directors have great pleasure in presenting the Seventeenth Annual Report and the Audited Accounts of your Company for the year ended 31st March 2004.

FINANCIAL RESULTS

	Year Ended 31/03/2004 Rs. in Lakhs	Year Ended 31/03/2003 Rs. in Lakhs
Income from Operations and Other Income	66.84	49.89
Profit before Financial Overheads & Dep.	24.03	20.07
Less: Financial overheads	10.57	10.22
Less: Depreciation	6.42	6.33
Profit before Tax	7.04	3.52
Less: Provision for Tax	0.25	0.25
Profit after Tax	6.79	3.27
Add: Surplus/(Deficit) brought forward	(36.67)	(39.94)
Profit/(Loss) carried to Balance Sheet	(29.88)	(36.67)

OPERATIONS:

The operations of the Company for the year under review have resulted in the gross profit of Rs. 24.03 lakhs. After providing for interest, depreciation and taxes, the company has earned a net profit of Rs. 6.79 lakhs as against the profit of Rs. 3.27 lakhs in the previous year.

FUTURE OUTLOOK:**Stock Broking operations**

The markets remained very good for most part of last year but the subsequent political developments have affected the sentiments adversely. The new Government at center has however promised to Continue liberalisation process and pursuing the policy of open economy. Considering the past experience of heads of new Government it is expected that the current year shall remain good for the markets and market intermediaries.

Project Consultancy

The Company has received several assignments relating to rehabilitation and restructuring of Corporates and has successfully executed most of them. Your Directors expected much better performance from the Consultancy & Corporate Advisory Services division of the Company in the current year.

SUBSIDIARY COMPANY

The operations of subsidiary company, Ajcon Finance Limited remained sub-dude during the year. However, the Company is carrying out comprehensive business restructuring exercise, which should result into focused business activity

DIVIDEND

In order to conserve resources for development and working capital and also due to carried forward losses, your directors do not recommend any dividend.

DIRECTORS

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

SUBSIDIARY COMPANY

In compliance with the requirement of section 212 (2) of the Companies Act, 1956, Directors' Report along with the Statement of Accounts of, Ajcon Finance Limited, a subsidiary of your company, for the year ended 31st March 2004 are appended to the Annual Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

CORPORATE GOVERNANCE

The report on Corporate Governance is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Internal Control System**

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

Human Resources

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2004 and

AJCON GLOBAL SERVICES LIMITED

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

INSURANCE

All the properties of the company are adequately insured.

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

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

EMPLOYEE INFORMATION

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

AUDITORS AND AUDITORS' REPORT AND CERTIFICATE

M/s. Shanbhag and Co., Chartered Accountants, Mumbai, auditors of the company, retire at the ensuing Annual General Meeting, are eligible for reappointment, their appointment is recommended to hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received certificate from the Auditors to the effect that their reappointment, if made, will be in accordance with sub-section (1B) of section 224 of the Companies Act, 1956. The Auditors' Report forms the part of this Annual Report. The Auditors have also certified the Company's compliance requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is enclosed as an annexure to the Report on Corporate Governance.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their thanks and gratitude to Canara Bank, LIC, UTI and other Financial Institutions, SEBI, NSE, and other Authorities for their support, co-operation, guidance and assistance. The Board is also grateful to the shareholders for their continued confidence.

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

For and on behalf of the Board

Mumbai
30th June 2004

(Ashok Kumar Ajmera)
Chairman

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1 MANDATORY REQUIREMENTS**1.1 Company's philosophy on Code of Corporate Governance:**

The Company believes in the practice of good corporate governance. A continuous process of delegation of powers commensurate with accountability, coupled with trust, faith and transparency has been embedded in the day-to-day functioning. The Company will endeavor to improve on these aspects on an ongoing basis.

1.2 Board of Directors:**a. Size of the Board**

The Board of Directors of the company consists of 3 directors.

b. Composition, Category and their attendance at the Board meetings during the year and at the last Annual General Meeting as also the number of other Directorships / Memberships of Committees are as follows:

Category of Directorship	Name of the Director	Attendance details		Other Directorships	Other Committee	
		Board Meetings	Last AGM		Memberships	Chairman Ships
Promoter / Executive Directors	Mr. Ashok Kumar Ajmera	10	Yes	5	2	2
	Mr. Ajay Ajmera	10	Yes	-	2	-
NED	Mr. Avinash Tripathi	10	Yes	-	-	-

c. No. of Board Meetings held during the year along with the dates of the meeting :
During the year 10 (Ten) times Board Meetings were held on following dates:

Sr. No.	Date	Sr. No.	Date
1 st	30.04.2003	6 th	13.01.2004
2 nd	30.06.2003	7 th	30.01.2004
3 rd	31.07.2003	8 th	21.02.2004
4 th	11.09.2003	9 th	04.03.2004
5 th	31.10.2003	10 th	31.03.2004

1.3 Audit Committee:**a. Terms of Reference:**

The terms of reference of this committee cover the matters as specified for Audit Committees under Clause 49 of the Listing

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Agreement as well as according to the provisions of section 292A of the Companies Act. 1956.

b. Composition, Meetings and Attendance:

The 2 Member Audit Committee comprises of 1 Non-Executive and Independent Director (NED) Mr. Avinash Tripathi and 1 Executive Director Mr. Ahsok Kumar Ajmera. Mr. Ahsok Kumar Ajmera is the Chairman of the committee. During the year, the committee met 4 times and the attendance of the members was as follows:

Name	No. of Meetings attended
Mr. Ashok Kumar Ajmera	4
Mr. Avinash Tripathi	4

1.4 Remuneration Committee:

The Company has not yet constituted any Remuneration Committee.

The details of the Remunerations paid to the Directors for the financial year 2003- 2004 is given below:

Directors	Salary (Rs.)	Benefits (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Ashok Ajmera	2,40,000	2,67,000	-	-	5,07,000
Mr. Ajay Ajmera	1,02,000	-	-	-	1,02,000
Mr. Avinash Tripathi	-	-	-	6000	6000

Mr. Ashok Kumar Ajmera is the Managing Director of the Company. His appointment is contractual and is for a period of 5 (five) years. Mr. Ajmera's contract was renewed for a further period of 5 year at the 15th Annual General Meeting of the Company held on 30.09.2002.

Mr. Ajay Ajmera, director of the Company is being paid remuneration for being a working director of the Company.

Non-Executive Director is not paid / entitled for any remuneration other than sitting fees.

1.5 Shareholders' / Investors' Grievance Committee:

- The 2 member Shareholders' /Investors' Grievance Committee is comprised of Mr. Avinash Tripathi, a NED and Mr. Ankit Ajmera Compliance Officer of the company.
- There were no complaints received from the shareholders during the year.
- There were no pending transfers at the close of the financial year.

1.6 General Body Meetings:

Location and time of last 3 AGM were:

Year	Location	Date	Time
2000-01	316, Vasant Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	30.09.2001	10.00 a.m.
2001-02	316, Vasant Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	30.09.2002	10.00 a.m.
2002-03	101, Samarth, Lt. P.N. Kotnis Road, Off. Laxmi Clinic, Mahim (W), Mumbai 400 016.	11.09.2003	10.00 a.m.

1.7 Disclosures:

- During the year, there were no transactions of material nature with the Promoters, Directors or the Management or their relatives or with the subsidiary etc. that have potential conflict with the interest of the company at large.
- During the previous three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other Statutory Authority for non-compliance of any matter related to the Capital Market.

1.8 Means of Communication:

- The quarterly results are published in "National Dailys in India including Mumbai edition published from Mumbai in English and Marathi, the regional language.
- These results are also displayed on the Company's Website viz. www.ajcon.net.
- These results are also displayed on SEBI's website www.sebidifair.nic.in
- The Management Discussion and Analysis report forms a part of this Annual Report.

1.9 General Shareholders information:

ANNUAL GENERAL MEETING

Day and Date : Thursday, 30 September, 2004
Time : 10.00 a.m.
Venue : Registered Office of the Company

FINANCIAL CALENDER

First quarter results ending 30.06.2003 : published on 04.08.2003
Second quarter results ending 30.09.2003 : published on 06.11.2003
Third quarter results ending 31.12.2003 : published on 05.02.2004
Last quarter/audited annual results ending 31.03.2004 : published on 05.07.2004
Date of Book Closure : 28.09.2004 till 30.09.2004 both days inclusive

AJCON GLOBAL SERVICES LIMITED**LISTING ON STOCK EXCHANGES**

The Mumbai Stock Exchange (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023.

Annual Listing Fees as prescribed is being paid to the stock exchange for the year 2004-2005.

Stock Code: **511692**

Demat ISIN No: **INE759C01019**

Share Transfers and other communications shall be addressed to:

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E),
Mumbai 400 072.

Investors' complaints may be addressed to:

Compliance Officer
Ajcon Global Services Limited
101, Samarth, Lt. P. N. Kotnis Road,
Mahim West, Mumbai 400016.
Tel: 022 2446 0335 / 36 / 40
Fax : 022 2446 0339
Email : ajcon@ajcon.net

MARKET PRICE DATA

High / Low during each months in last financial year on BSE:

Month / Year	High	Low (Rs.)	Month / Year	High (Rs.)	Low (Rs.)
April 2003	6.15	6.15	October 2003	2.45	0.97
May 2003	6.15	6.15	November 2003	0.66	0.66
June 2003	4.93	4.93	December 2003	0.93	0.66
July 2003	4.25	3.00	January 2004	2.60	0.81
August 2003	2.65	1.55	February 2004	2.00	1.61
September 2003	2.45	1.94	March 2004	2.25	1.93

REGISTRAR AND SHARE TRANSFER AGENTS

The Company has appointed Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E), Mumbai 400 072 as Registrar and Share Transfer Agents of the company.

SHAREHOLDING PATTERN AS ON 31.03.2004

	Category	No. of shares held	Percentage of Shareholding
A.	PROMOTERS HOLDING		
1.	PROMOTERS		
a.	INDIAN PROMOTERS	22,81,000	47.51
b.	FOREIGN PROMOTERS	—	—
2.	PERSONS ACTING IN CONCERT	—	—
	SUB TOTAL	22,81,000	47.51
B.	NON PROMOTERS HOLDING		
3.	INSTITUTIONAL INVESTORS		
a.	MUTUAL FUNDS	1,13,000	2.35
b.	BANKS, FINANCIAL INSTITUTIONS		
	INSURANCE COMPANIES (CENTRAL / STATE GOVT. INSTITUTION /	300	0.01
	NON GOVERNMENT INSTITUTIONS	—	—
c.	FII's	—	—
	SUB TOTAL	1,13,300	2.36
4.	OTHERS		
a.	PRIVATE CORPORATE BODIES	9,95,914	20.74
b.	INDIAN PUBLIC	10,64,486	22.17
c.	NRIS / OCB	3,46,500	7.22
d.	ANY OTHER (PLEASE SPECIFY)	—	—
	SUB TOTAL	24,06,900	50.13
	GRAND TOTAL	48,01,200	100.00

AJCON GLOBAL SERVICES LIMITED**DEMATERIALISATION OF SHARES**

The shares of the company are traded in compulsorily dematerialized form. As on 31.03.2004 8,63,250 equity shares have been dematerialized.

ADDRESS FOR CORRESPONDENCE

Ajcon Global Services Limited
101, Samarth, Lt. P. N. Kotnis Road,
Mahim West, Mumbai 400 016.
Tel: 022 2446 0335 / 36 / 40
Fax : 022 2446 0339
Email : ajcon@ajcon.net

2. NON-MANDATORY REQUIREMENTS**2.1 Chairman of the Board:**

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

2.2 Remuneration Committee:

Please refer item no. 1.4 in the Mandatory Requirements section.

2.3 Shareholders' Rights:

As the Company's Quarterly results are published in English Newspaper having circulation all over India and also in a Marathi Newspaper circulated in Maharashtra, the same are not sent to each household of shareholders

2.4 Postal Ballot:

The provisions relating to Postal Ballot will be complied with in respect to matters where applicable.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of AJCON GLOBAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by Ajcon Global Services Limited, for the year ended 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the 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 the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances against the Company remaining unattended / pending for more than 30 days.

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.

Mumbai
30th June 2004

For G.N. SHANBHAG & CO.
Chartered Accountants

G.N. Shanbhag
(Proprietor)
Membership No. 32057

G.N. SHANBHAG & CO.Chartered Accountant
Mumbai**AUDITORS' REPORT**To
THE MEMBERS OF AJCON GLOBAL SERVICES LTD.

1. We have audited the attached Balance Sheet of AJCON GLOBAL SERVICES LIMITED as at 31st March 2004 and also the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We conducted our audit accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 the reasonable basis for our opinion.
3. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, 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 purposes 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 Company's Balance Sheet, Profit & Loss account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss account 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 and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2004 from being appointed as a Director in terms of clause (g) of the sub section (1) of the Section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 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 Balance sheet, of the state of affairs of the Company as at 31st March 2004,
 - b) In the case of the Profit & Loss Account, of the profit for the year ended on that date, and
 - c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For G.N. SHANBHAG & CO.
Chartered AccountantsMumbai
30th June 2004G.N. Shanbhag
(Proprietor)
Membership No. 32057**ANNEXURE TO AUDITORS' REPORT**

(Referred to in Paragraph (1) of our report of even date)

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets and also undertaking physical verification periodically. No discrepancy is found in such verification.
2. None of the fixed assets of the Company have been revalued during the year.
3. Company's closing stock includes the shares and securities. The management during the year has physically verified those stocks which were not demat and the rest were verified through demat statement of the depositories. In our opinion, frequency of verification is reasonable.
4. In our opinion and according to the explanations given to us procedures of physical verification of non-demat stocks and the verification of demat statements followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
5. No material discrepancies have been noticed on physical verification as well as reconciliation with demat statements as compared to the book records.
6. In our opinion and on the basis of our examination the valuation of the stock of shares and securities is fair and proper in accordance with the normally accepted accounting principals and is on same basis as in the preceding period.
7. The Company has taken unsecured loans from the parties listed in the register maintained under section 301 of the Companies Act, 1956; however the terms and conditions of the same are not prima facie prejudicial to the interest of the company. As informed to us, there are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.