

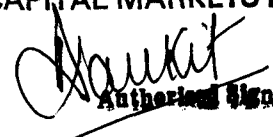


AJCON CAPITAL MARKETS LTD.

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15TH ANNUAL REPORT 2001-2002

**CERTIFIED TRUE COPY
For AJCON CAPITAL MARKETS LTD.**


Authorised Signatory



BOARD OF DIRECTORS

Ashok Kumar Ajmera - Chairman & MD

Ajay Ajmera

Avinash Tripathi

Auditors

G.N. Shanbhag & Co.

Chartered Accountants

Mumbai

Bankers

Canara Bank

Corporation Bank

UTI Bank Ltd.

Registered Office

316, Vasan Udyog Bhavan,

Senapati Bapat Marg,

Lower Parel

Mumbai - 400 013

Branch Officer

1-2, Ashram Complex,

Behind 56 Shops, M.G. Road,

INDORE - 452 001

Web Site

www.ajcon.net

Registrar & Transfer Agents

R&D Consultants Pvt. Ltd.

Dalamal Towers, Nariman Point

Mumbai - 400 023

Demat ISIN Number

INE759C01019

AJCON CAPITAL MARKETS LTD.

Regd. Off.: 316, Vasan Udyog Bhavan,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013

**NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Ajcon Capital Markets Ltd will be held at 316, Vasan Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 on Monday, September 30, 2002 at 10 a.m.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Reports 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 Auditors and fix their remuneration

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Avinash Tripathi be and is hereby appointed as a Director of the Company liable to retire by rotation".

5. To considered, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 as amended, and subject to the approval of the Central Government and/or any other statutory authority, if applicable, the consent of the Company be and is hereby accorded to the re-appointment the Mr. Ashok Kumar Ajmer as Managing Director of the Company with effect from 1.04.2002 for such period as may be mutually agreed to between the Company and Mr. Ashok Kumar Ajmera. But in any event, the tenure of such period shall not exceed five years.

RESOLVED FURTHER THAT the re-appointment shall be on the terms and conditions as set out in the Draft Agreement to be entered into between the Company and Mr. Ashok Kumar Ajmera and the payment of remuneration to him will be in accordance with the limits prescribed under Schedule XIII to the Companies Act, 1956 or any statutory amendment(s) and modification(s) thereto and with such variation in terms or remuneration as may be approved by The Central Government and/or any other statutory authority, as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Ashok Kumar Ajmera as Managing Director, the remuneration, perquisites and other allowances shall be paid to Mr. Ashok Kumar Ajmera as minimum remuneration"

Place : Mumbai
Dated : 10th July, 2002

Registered Office
316, Vasan Udyog Bhavan
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.

By order of the Board

Ashok Kumar Ajmera
(Managing Director)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF & herself and the proxy need not be a member
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the meeting.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2002 to 30th September 2002 (both days inclusive)
5. Members/Proxies should bring the Attendance Slip duly filled in and signed for attending the Meeting.
6. Members are requested to send all communications concerning shares etc. to the Company at 316 Vasan Udyog Bhavan. Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.



DIRECTORS REPORT

TO THE MEMBERS

Your directors have pleasure in presenting the Fifteenth Annual Report and the Audited accounts of your Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Year Ended 31.03.2002	Year Ended 31.03.2001
Income from Operations & Other Income	52.43	111.83
Profit before financial overheads & depreciation	14.32	42.08
Less : Financial overheads	14.39	27.53
Less : Depreciation	8.01	10.60
Less : Loss on sale of fixed assets	1.59	-
Less : Pre-operative expenses (w/o to P & L A/c)	0.78	-
Profit/(Loss) before taxes	(8.45)	3.95
Less Provision for taxes	Nil	0.50
Profit/(Loss) after taxes	(8.45)	3.45
Add Surplus/(Deficit) brought forward	(31.49)	(34.94)
Profit/(Loss) carried to Balance Sheet	(39.94)	(31.49)

OPERATIONS

The operations of the Company for the year ended 31st March 2002, has resulted in a gross profit of Rs. 14.32 lacs (Rs. 42.08 Lacs). After providing for interest, depreciation and taxes, the net Loss for the year stands at Rs. 8.45 lacs (against net profit of Rs. 3.45 Lacs). The Capital Market continued to remain sluggish during the year under review. The major changes made by regulators & stock Exchanges have virtually killed the volumes & in turn the brokerage.

Stock Broking operations

There was major reduction in institutional business volumes, due to swapping changes in their business distribution methodology. This has affected the broking business of the company very badly. However, the company is once again trying to resort to old business module of retail clientele business which may produce better results in view of comparatively safer markets.

Project Consultancy

The Company continued rendering project finance Consultancy and Corporate advisory services. The recession in various segments of the economy set in a couple of years ago is not showing any sign of recovery. However, the Govt's resolve to increase spending on infrastructure viz., roads, bridges etc. may help the company getting some large assignments. The Consultancy division of the company has bagged some good assignments for restructuring & rehabilitation. The Company has also decided to enter into new Consultancy related areas Viz. Business Process Re-engineering, Insurance audit, Asset valuation etc. quality management services.

Future outlook

Due to continued efforts of the Finance Ministry, SEBI & Stock Exchanges for bringing reforms in the capital market, the markets have become acceptable to the global players. But the continuity of security scams one after another and its impact have shaken the very foundation of Capital Markets. The total ban on carry forward and introduction of rolling, settlement without matching solution, have pulled volumes down substantially affecting the capital market operations adversely. With the global markets continuous downtrend, the future of stock broking business do not look to be very promising. Since your Company is now giving main emphasis to Consultancy & Advisory Services, your directors hopes to achieve better results this year.

Dividends

In the absence of Profit, your directors regret their inability to declare any dividend.

Subsidiary Company

In compliance with the requirement of Section 212(2) of the Companies Act, 1956 the Director's Report along with Statement of Accounts of Ajcon Finance Limited a subsidiary of your Company for the year ended 31st March 2002 are appended to the Annual Report.

Fixed deposits

There are no Fixed Deposits from the Public during the year.

Auditors' Report

Auditors' comments are self explanatory and need no special comments.

**Director's Responsibility Statement.**

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the board of directors of the company hereby state and confirm that :

- (i) In the preparation of the Annual Accounts, the applicable accounting standards has been followed along with the proper explanation relating to material departures :
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year, and of the profit of the company for that period;
- (iii) The Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the companies act, 1956 for safeguarding the assets of the company and for the preventing detecting fraud and other irregularities.
- (iv) The Accounts have been prepared on a going concern basis.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ajay Ajmera retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Mr. Walter D'Souza resigned from the Board due to other pre-occupation. Mr. Avinash Tripathi was appointed as a director by the Board and his reappointment is recommended.

Particulars of Employees

There was no employee drawing a salary exceeding the limit prescribed under sub-section (2A) of section 217 of the Companies Act, 1956 read with companies (Disclosure of Particulars) Rules, 1988.

Particulars of Conservation of Energy & Technology Absorption

Since the company is not engaged in any manufacturing activity, the particulars in respect of the conservation of energy and Technology Absorption are not required to be furnished.

Particulars of Foreign Exchange Earnings & Outgo

The Company has neither earned nor spent any foreign exchange during the year under review.

Auditors

M/s.G.N. Shanbhag & Co Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and being eligible for reappointment, have expressed their willingness to be reappointed as statutory Auditors of the Company. Members are requested to reappoint them and fix their remuneration for the current year.

Acknowledgements

Your Directors wish to place on record their thanks and gratitude to Canara Bank. The main Bankers of the Company, IDBI, UTI, LIC and other Financial Institutions, SEBI, N.S.E., OTCEIL 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 levels and hopes that they would continue their dedicated efforts during these difficult times.

By order of the Board

Mumbai

Date : 10th July, 2002

Ashok Kumar Ajmera
(Managing Director)