



AJCON GLOBAL SERVICES LIMITED

(Formerly known as Ajcon Capital Markets Limited)

Report  junction.com

16th ANNUAL REPORT 2002-2003

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
UTI Bank Ltd.

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

WEB SITE

www.ajcon.net

REGISTRAR AND TRANSFER AGENTS

R&D Consultants Ltd.,
610, Dalamal Towers, 211 Nariman Point, Mumbai 400 021.
Tel. : 022-2283 4347, Fax : 022 2285 5789.

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 Sixteenth Annual General Meeting of the Members of Ajcon Global Services Limited will be held at the Registered Office of the Company on Thursday, September 11, 2003 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 2003 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. Avinash Tripathi 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.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:
"RESOLVED THAT subject to the terms and conditions to be agreed to between the Company and the Madhya Pradesh Stock Exchange, Ahmedabad Stock Exchange and Jaipur Stock Exchange according to the latest guidelines issued by SEBI viz., Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the Shares of the Company be delisted from the said Regional Stock Exchanges of Madhya Pradesh, Ahmedabad and Jaipur and the said Stock Exchanges be and are hereby requested to terminate the Listing Agreements entered into by the Company with the said Stock Exchanges."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things to give effect to this resolution and resolve any question or difficulty that may arise in regard thereto in the interest of the Company."

Mumbai
30th June, 2003
Regd. Off. : 101, Samarth, Lt. P.N. Kotnis Road,
Off. Laxmi Clinic, Mahim West, Mumbai 400 016.

By Order of the Board

(Ashok Kumar Ajmera)
Chairman

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 its Registered Office not less than 48 hours before the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 accompanies this Notice.
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 9th September 2003 to 11th September 2003 (both days inclusive).
6. Members / Proxies should bring the Attendance Slip duly filled in and signed for attending the meeting.
7. 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.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

ITEM NO. 4

As the Members are aware that the Company's equity shares are listed on the following Stock Exchanges:

- i. The Stock Exchange, Mumbai (BSE)
- ii. The Madhya Pradesh Stock Exchange
- iii. The Ahmedabad Stock Exchange
- iv. The Jaipur Stock Exchange

There are negligible numbers of shareholders / members on the register of members located in region of Madhya Pradesh, Ahmedabad & Jaipur. It has been further observed that the shares of the Company are rarely traded on these Stock Exchanges. Your Directors are of opinion that termination of the Listing Agreement with the aforesaid Stock Exchanges would not cause any hardships to the shareholders as the Company's shares will be continued to be traded on the Stock Exchange at Mumbai viz., BSE.

Hence, the Board of Directors has decided to delist the shares from the entire three Regional Stock Exchanges viz., Madhya Pradesh Stock Exchange, Ahmedabad Stock Exchange and Jaipur Stock Exchange.

The Company determined to continue listing of its shares only in The Mumbai Stock Exchange (BSE) - a Stock Exchange having nation wide trading terminals and the most important business base of the Company in India. Further, it will also cut cost of listing fees unnecessarily paid to these stock exchanges.

A similar Resolution was also passed in the 10th Annual General Meeting of the Company held on 23.05.1997. Members are requested to approve the proposal by passing the special Resolution at item no.4. in view of revised SEBI guidelines.

None of the Directors of the Company is in any way, interested or concerned in the resolution.

By Order of the Board

(Ashok Kumar Ajmera)
Chairman

Mumbai
30th June, 2003

AJCON GLOBAL SERVICES LIMITED

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

**DIRECTORS' REPORT****TO
THE MEMBERS**

Your directors have great pleasure in presenting the Sixteenth Annual Report and the Audited Accounts of your Company for the year ended 31st March 2003.

FINANCIAL RESULTS

(Rs. in Lakhs)

	Year Ended 31/03/2003	Year Ended 31/03/2002
Income from Operations and Other Income	49.89	52.43
Profit before Financial Overheads & Dep.	20.07	11.95
Less: Financial overheads	10.22	14.39
Less: Depreciation	6.33	6.01
Profit before Tax	3.52	(8.45)
Less: Provision for Tax	0.25	0.00
Profit after Tax	3.27	(8.45)
Add: Surplus/(Deficit) brought forward	(39.94)	(31.49)
Profit/(Loss) carried to Balance Sheet	(36.67)	(39.94)

OPERATIONS

The operations of the Company for the year under review have resulted in the gross profit of Rs. 20.07 lakhs. After providing for interest, depreciation and taxes, the company has earned a net profit of Rs. 3.27 lakhs as against the loss of Rs. 8.45 lakhs in the previous year. Company's efforts to increase Consultancy business have been successful to a great extent.

FUTURE OUTLOOK**Stock Broking operations**

The recent positive developments in the stock markets have increased the business prospects. The Institutional business has also increased three fold in last few months. Even the retail investors have started coming back in the market. The outlook for the current year is very positive.

Project Consultancy

Due to revival in the economy, the prospects of Consultancy division also look brighter. The Company had added 5 more Corporate clients in its list of customers in the last few months of current year. Barring unforeseen circumstances, your directors are hopeful of making major gains from this division.

DIVIDEND

In order to conserve resources for development and working capital, your directors do not recommend any dividend.

DIRECTORS

Mr. Avinash Tripathi, 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 period ended 31st March 2003 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.

AJCON GLOBAL SERVICES LIMITED**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. 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, 2003 and of the profit of the company for the year ended on that date;
- iii. 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 takes this opportunity to express its 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 2003

(Ashok Kumar Ajmera)
Chairman

Annexure to Directors' Report

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 Director Ships	Other Committee	
		Board Meetings	Last AGM		Memberships	Chairman ships
Promoter / Executive Directors	Mr. Ashok Kumar Ajmera	10	Yes	4	2	2
	Mr. Ajay Ajmera	10	Yes	-	2	-
NED	Mr. Avinash Tripathi	10	Yes	-	-	-

AJCON GLOBAL SERVICES LIMITED

- c. No. of Board Meetings held during the year along with the dates of the meeting:
During the year 9 (NINE) Board Meetings were held on following dates:

Sr. No.	Date	Sr. No.	Date
1st	29.06.2002	6th	31.12.2002
2nd	10.07.2002	7th	15.01.2003
3rd	31.07.2002	8th	03.02.2003
4th	28.09.2002	9th	28.02.2003
5th	31.10.2002		

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 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. Ashok Kumar Ajmera. Mr. Ashok 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 2002- 2003 is given below:

Directors	Salary (Rs.)	Benefits (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Ashok Ajmera	2,40,000	2,40,300	-	-	4,80,300
Mr. Ajay Ajmera	1,02,000	-	-	-	1,02,000
Mr. Avinash Tripathi	-	-	-	4,000	4,000

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.

The appointment of Managing Director / Executive Director may be terminated by either party by giving a six month notice. No severance fee is payable on termination of appointment.

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
1999-00	315, Vasan Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	31.10.2000	10.00 a.m.
2000-01	316, Vasan Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	30.09.2001	10.00 a.m.
2001-02	316, Vasan Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	30.09.2002	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.

AJCON GLOBAL SERVICES LIMITED

- b. 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:

- a. The quarterly results are published in "Business Standard" in all editions in India including Mumbai edition published from Mumbai. They are also published in "Daily Sagar" a regional daily newspaper.
- b. These results are also displayed on the Company's Website viz. www.ajcon.net.
- c. 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, 11 September, 2003
 Time : 10.00 a.m.
 Venue : Registered Office of the Company

FINANCIAL CALENDER

First quarter results ending 30.06.2002 : published on 31.07.2002
 Second quarter results ending 30.09.2002 : published on 07.11.2002
 Third quarter results ending 31.12.2002 : published on 03.02.2003
 Last quarter results ending 31.03.2003 : published on 03.07.2003
 Date of Book Closure : 09.09.2003 till 11.09.2003 both days inclusive

LISTING ON STOCK EXCHANGES

The Mumbai Stock Exchange (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

Annual Listing Fees as prescribed has been paid to the stock exchange for the year 2003-2004.

Stock Code: 511692

Demat ISIN No: INE759C01019

Share Transfers and other communications shall be addressed to:

R&D Consultants Limited
 610, Dalamal Towers, 211 Nariman Point,
 Mumbai 400021.
 Tel : 022-2283 4347 Fax : 022-2285 5789

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

MARKET PRICE DATA

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

Month / Year	High (Rs.)	Low (Rs.)	Month / Year	High (Rs.)	Low (Rs.)
April 2002	8.00	8.00	October 2002	7.65	7.65
May 2002	8.00	8.00	November 2002	7.65	7.65
June 2002	8.00	8.00	December 2002	7.65	7.65
July 2002	9.50	7.65	January 2003	7.65	7.65
August 2002	7.65	7.65	February 2003	7.65	7.65
September 2002	7.65	7.65	March 2003	7.65	7.65

REGISTRAR AND SHARE TRANSFER AGENTS

The Company has appointed R & D Consultants Limited, 610, Dalamal Towers, 211 Nariman Point, Mumbai 400 021 as Registrar and Share Transfer Agents of the Company.

AJCON GLOBAL SERVICES LIMITED**SHAREHOLDING PATTERN**

	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 And Uti	1,13,600	2.37
b.	Banks, Financial Institutions Insurance Companies (Central / State Govt. Institution / Non Government Institutions	300	0.01
C.	FII's	---	---
	SUB TOTAL	1,13,900	2.38
4.	OTHERS		
a.	Private Corporate Bodies	10,32,600	21.51
b.	Indian Public	10,18,500	21.21
c.	NRIs / OCB	3,55,200	7.39
d.	Any Other (Please Specify)	---	---
	SUB TOTAL	24,06,300	50.11
	GRAND TOTAL	48,01,200	100.00

DEMATERIALIZATION OF SHARES

The shares of the company are compulsorily dematerialized. However 4,72,740 equity shares have been dematerialized as at 31.03.2003.

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

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, 2003, 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.

For G.N. SHANBHAG & CO.
Chartered Accountants

Mumbai
30th June 2003

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

AJCON GLOBAL SERVICES LIMITED

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

**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 2003 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 2003 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 2003,
 - 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 Accountants

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

Mumbai
30th June 2003

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.
8. The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
9. In respect of loans or advances in the nature of loans where repayment have been stipulated, the parties are repaying the principal amount as stipulated and are regular in payment of interest wherever prescribed.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of shares and securities and its trading, sales etc. as well as for the purchase of computers and other data processing equipments and other assets.

AJCON GLOBAL SERVICES LIMITED

11. In our opinion and according to the information and explanations given to us, services rendered to and transaction made with different parties in pursuance of contracts or arrangements entered in register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at the prices which are reasonable having regard to the prevailing market prices.
12. In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
13. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
14. As informed to us, the provisions of Provident Fund Act and Employees' State Insurance Act are not applicable to the Company.
15. According to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 2003 for a period of more than six months from the date they become payable.
16. According to the information and explanations to us, no personal expenses has been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.
17. The Company is not a sick industrial Company within the meaning of Section 3 (1)(0) of the Sick Industrial Companies (Special Provisions) Act. 1985.
18. On the basis of examinations of records, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of trading in shares and securities and timely entries have been made therein.
19. The Company has not been granted any loans and advances on the basis of security by way of pledge of shares and securities. However, shares belonging to the clients have been kept as margins / deposits.
20. We are informed that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the company.
21. In our opinion and according to the information and explanations given to us, the company has a reasonable system of recording transactions relating to sauda on behalf of clients including receipts and payments etc. commensurate with the size and nature of its business. The system provides for a reasonable allocation of the spares consumed to the relative jobs.
22. Other clauses of the Order are not applicable to the Company.

For G.N. SHANBHAG & CO.
Chartered Accountants

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

Mumbai, 30th June 2003

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