

DIRECTORS' REPORT

**To the Members,
FICS Consultancy Services Limited**

Your Directors present their Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2003.

FINANCIAL RESULTS:

Particulars	2002-03	2001-02
	(Rs.)	(Rs.)
Gross Income	3,12,369	32,20,846
Profit/(Loss) before tax	38,213	18,14,578
Provision for tax	30,500	35,000
Profit/(Loss) after tax	7,713	17,79,578
Add : Tax adjustment	3,457	1447
Add : Balance brought fwd. from previous year	64,10,371	46,29,346
Balance in Profit & Loss Account c/f	64,21,541	64,10,371

DIVIDEND:

In order to conserve the resources of your Company, the Directors decided not to recommend any dividend for the year under review.

FINANCIAL HIGHLIGHTS:

Your Company earned a Gross Income of Rs. 3,12,369/- as against Rs. 32,20,846/- in the previous year which included a dividend income of Rs.2,23,000/- in the current year as against Rs. 29,68,151/- in the previous year. After accounting for the expenses of Rs. 2,74,156/- as compared to Rs. 14,06,268/- in the previous year, the profit before tax stood at Rs. 38,213/- as against Rs. 18,14,578/- reported in the previous year. The net profit works out to Rs. 7,713/- after providing for a tax of Rs. 30500/- as against the net profit of Rs17,79,578/- earned in the previous year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Nalin I Mehta, director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment and accordingly an ordinary resolution re appointing him as a director of the Company form part of the Notice convening the Annual General Meeting.

During the year under review, Ms. Glenys Crasta joined the Board as Director with effect from January 27, 2003.

Mr. Nalin V Shah tendered his resignation from the directorship of the Company with effect from January 27, 2003. The Board placed on record its sincere appreciation for the valuable services rendered by Mr. Shah during his tenure as a director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with the provisions of 217(2AA) of the Companies Act, 1956, your directors state that:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that they have selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period;
- that they 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;
- that they have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits from the shareholders/public during the year under review.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 on Conversion of Energy and Technology Absorption are not applicable to your Company.

FOREIGN EXCHANGE

Your Company has neither earned nor spent any amount in foreign exchange during the year under review.

AUDITORS

The retiring Auditors, namely, M/s. Arun Arora & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are seeking their reappointment. Members are requested to consider their reappointment at a remuneration to be fixed by the Board.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 and the rules made thereunder is not furnished as your Company did not have any employee during the year under review.

ACKNOWLEDGEMENT:

Your Directors wishes to place on record their gratitude for the confidence reposed in the Company and look forward to their continued support.

By Order of the Board



Nalin I Mehta
Chairman

Date : June 24, 2003

Registered Office :

141, Maker Chambers III
Nariman Point
Mumbai 400 021

Certified to be true


Director

Arun Arora

B.COM. (HONS.), F.C.A. GRAD. C.W.A.

ARUN ARORA & CO.
CHARTERED ACCOUNTANTS**AUDITORS' REPORT**

To the Members
FICS Consultancy Services Ltd
Mumbai

We have audited the attached Balance Sheet of **FICS Consultancy Services Ltd** as at 31st **March 2003** and also the Profit & Loss Account 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 these financial statements based on our audit.

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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report 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 31st March 2003, and taken on record 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 sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the 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.

Arun Arora

B.COM. (HONS.), F.C.A. GRAD. C.W.A.

ARUN ARORA & CO.
CHARTERED ACCOUNTANTS

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2003; and
- ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

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 wish to state as under :

1. The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets. A physical verification of all Fixed Assets has been conducted by the Management during the year. In our opinion, the programme of verification carried out is reasonable, having regard to the size of the company and the nature of their assets, and on the basis of the explanations given to us, no discrepancies have been noted on verification.
2. None of the Fixed Assets have been revalued during the year.
3. In respect of loans, taken from parties listed in the Register maintained under Section 301 and 370 (1C) of the Companies Act, 1956 the rate of interest and terms and conditions of such loans are not prejudicial to the interest of the Company.
4. The Company has not made any advances during the year.
5. As the Company has not made any advances, repayment of the same is not applicable.
6. The Company has an adequate internal control procedure commensurate with its size and nature of business for the purchase of assets.
7. There are no transactions for purchase of goods and materials and sale of goods or materials and services made by the Company in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the period to Rs. 50,000 or more.
8. The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
9. The Company is not required to maintain any costs records under Section 209 (1) (d) of the Companies Act, 1956.
10. The Company has no liability to deposit any sum under the Employees Provident Fund Act.
11. According to the information and explanations given to us by the Directors no undisputed amounts payable in respect of Income -Tax, Wealth-Tax, Sales-Tax, Custom duty and excise duty were outstanding as on 31st March , 2003 for a period of more than Six months from the date they become payable.