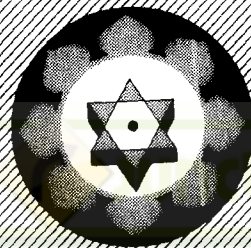


**TWENTYFIRST CENTURY
MANAGEMENT SERVICES LIMITED**



**SEVENTEENTH ANNUAL REPORT
2002 - 2003**



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BOARD OF DIRECTORS

Mr. SUNDAR IYER
Chairman

Mr. E. Y. RANGOONWALA

Mr. CHANDRAMOULI

AUDITORS

M/s. SHANKAR & KISHOR
Chartered Accountants
Mumbai

BANKERS

THE LAKSHMI VILAS BANK LTD
THE DHANALAKSHMI BANK LTD
PUNJAB & SIND BANK LTD
THE CATHOLIC SYRIAN BANK LTD

FINANCIAL INSTITUTION

THE SMALL INDUSTRIES DEVELOPMENT
BANK OF INDIA (SIDBI)

REGISTERED OFFICE

No. 158, 1st Floor, Eldams Road,
Alwarpet, Chennai - 600 018.

CORPORATE OFFICE

No. 603 & 604 Dalamal Chambers,
29, New Marine Lines,
Mumbai - 400 020.

SHARE TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.,
No. 260, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (W), Mumbai - 400 080.



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Tuesday, 30th September, 2003 at 10.00 a. m. at Asha Nivas, 9, Rutland Gate, 5th Street, Chennai-600 006 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March 2003 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a Mr. E. Y. Rangoonwala, who is retiring in ensuing general meeting and offers himself for reappointment
3. To appoint Auditors and to fix their remuneration.

By Order of the Board

Place: Mumbai
Date : 16-08-2003

CHANDRAMOULI
Director

NOTES:

- a) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxies, in order to be valid, must be received at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- b) The Register of Members and Share Transfer books of the Company will remain closed from 27th September 2003 to 30th September 2003 (both days inclusive).
- c) Members are requested to bring their copy of annual accounts as no extra copies will be distributed at the meeting.

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 17th ANNUAL REPORT of your company together with the Auditors Report for the year ended 31st March 2003.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March, 2003.

	Rupees in lakhs	
	31/03/2003	31/03/2002
Total Income		
(excluding capital market operations)	171.52	230.27
Profit/(Loss)		
from capital market operations	(54.10)	(146.59)
Profit before Depreciation, Interest & Tax	(19.95)	(83.68)
Bad debts and Stocks written off	1555.03	0.00
Loss on sale of Building	110.92	0.00
Depreciation	16.90	26.39
Profit before tax	(1702.80)	(46.71)
Provision for tax	0.00	0.00
Profit after tax	(1702.80)	(46.71)
Balance b/f from previous year	(2619.63)	(2572.92)
(Deficit)/Surplus carries to Balance Sheet	(4322.43)	(2619.63)

BUSINESS & PERFORMANCE

During the year under review, the Company has incurred a net loss of Rs. 1702.80 lakhs after writing off diminution in the value of stock in trade and bad debts.

DIVIDEND

In the absence of profit during the year your directors regret their inability to recommend dividend for the financial year 2002-2003.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Corporate Governance" has been annexed in this Annual Report.

DEPOSITS

The Company had obtained the Company Law Board's approval for a scheme of repayment of deposits. Further the Company has sought extension of the approved scheme till 31.12.03 and the same is pending before the Bench. However, your directors are strictly complying with the order.



PARTICULARS OF EMPLOYEES

The Company has no employees, requiring disclosure under Section 217(2A) of the Companies Act, 1956.

AUDITORS

M/s Shankar & Kishor, Chartered Accountants auditors of the company retire at the ensuing Annual General Meeting and are eligible for reappointment.

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

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable. The Company did not have any foreign exchange earning or outgo during the year under review.

SUBSIDIARY COMPANY

The particulars required to be disclosed u/s.212(1)(e), read with sub section (3) of the Companies Act, 1956 for the financial year 2002-2003 in respect of the Company's subsidiary Twentyfirst Century Shares & Securities Ltd. is enclosed.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the directors confirm that:

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2 Appropriate accounting principles have been selected and applied consistently and have 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 as at 31st March, 2003 and of the profit or loss of the Company for the year ended on that date.
- 3 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.

- 4 The annual accounts have been prepared on a going concern basis.

COMPULSORY DEMATERIALISATION OF SHARES

Trading in equity shares of the Company through Stock Exchanges was made compulsory in dematerialised form with effect from 8.5.2000. To facilitate trading in demat form, the Company has entered into agreement with both the depositories in India. i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited.

LISTING OF EQUITY SHARES

The Equity Shares of the Company are listed at Mumbai and National Stock Exchanges. Annual Listing Fees to respective stock exchanges have been paid by the Company. Trading in shares of the company is suspended in National Stock Exchange since company does not have a full time company secretary.

FUTURE PROSPECTS

The global economic slowdown has cast a slowdown on the economy of our country also. It is expected that improvement in our economy should happen in the second half of the fiscal year 2003-2004. Your Company's performance is also closely linked to the revival of economy and the capital markets.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank all employees of the Company, shareholders, auditors, customers and bankers for their continued support.

For and on behalf of the Board

Place : Mumbai
Date : 16-08-2003

SUNDAR IYER
CHAIRMAN



CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2002-2003

The Company has implemented the Code of Corporate Governance during the financial year in terms of clause 49 of the listing agreement entered into by the Company with the stock exchanges.

1. Company's Philosophy on Corporate Governance

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts itself in a manner that is fair and transparent and perceived to be such by others.

2. Board of Directors

- The Board of directors, as on date of the report, consist of three members, all being non-executive promoter directors. Your directors are pursuing to include independent directors in terms of the Listing Agreement. Due to the status of the company being NBFC, your directors are finding it difficult to get an independent director to the Board. However, the same shall be complied with at the earliest.
- Composition of the Board: None of the directors to the Board draw any remuneration for the year 2002-03 and they also do not draw any sitting fees for attending the Board/Committee meetings.

Name	Category	No. of Board Meeting attended	Attendance at the last AGM	Directorship in other Companies
Mr. Sundar Iyer	Chairman	6	Yes	4
Mr. Chandramouli	Director	6	Yes	3
Mr. E. Y. Rangoonwala	Director	4	No	1

3. Board Procedure

During the financial year 2002-2003, the Board of Directors met Seven times on the following dates.

27/04/2002 14/05/2002 31/07/2002 28/08/2002
26/10/2002 30/12/2002 31/01/2003

The maximum gap between any two meetings was not more than three months.

4. Audit Committee

The audit Committee consists of the following non-executive directors: Mr. Sundar Iyer, Mr. Chandramouli and Mr. Rangoonwala. The Audit Committee meeting was held on the following dates: 30.04.02, 28.07.02, 29.10.02, and 28.01.03.

5. Remuneration Committee

Since the company is not paying any remuneration to any of its personnel including the directors, it is not having remuneration committee at present. However, it shall constitute the Committee if need arises.

6. Shareholders/Investors Grievance Committee

- The above Committee consists of the following directors as its members:

Mr. Chandramouli, the Chairman, Mr. E. Y. Rangoonwala, director, Chairman is a non-executive Director.

During the financial year ended 31.3.2003, the company received seven complaints and the same were resolved and there is no pending complaint. Share transfer applications are normally completed within the period stipulated by SEBI.

- Details of Directors seeking reappointment at the ensuing A. G. M.

Name of the Director	Mr. E. Y. Rangoonwala
Date of appointment	19.03.1991
Expertise	A Chartered Accountant and has wide knowledge in finance and banking activities as also secondary market operations.
List of other directorships held	Twentyfirst Century Shares & Securities Ltd.
Board Committees of other companies in which he is a director	Nil

7. Compliance Certificate

Compliance certificate for Corporate Governance from the auditors of the company is enclosed.

8. General Body Meetings

The location and time of the Annual General Meeting held during the last three years is as follows:

Year	Location	Date	Time
1999-2000	Asha Nivas, 9 Rutland Gate, 5th Street, Chennai - 600 006	25/09/2000	10.00 A.M.
2000-2001	Asha Nivas, 9 Rutland Gate, 5th Street, Chennai - 600 006	28/09/2001	10.00 A.M.
2001-2002	Asha Nivas, 9 Rutland Gate, 5th Street, Chennai - 600 006	27/09/2002	10.00 A.M.

9. Disclosures

No transaction of material nature has been entered into by the Company with its promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.

There were no instances of non-compliance or penalty imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.

10. Means of Communication

The annual, half-yearly and quarterly results are regularly submitted to the stock exchanges in accordance with the listing agreement.

11. Shareholder Information

Annual General Meeting

The Seventeenth Annual General Meeting of the Company will be held on 30th September 2003 at 10.00 a.m. at Asha Nivas, 9 Rutland Gate, 5th Street, Chennai - 600 006.

Financial calendar for the year 2002-2003 (Provisional)

1. Results for the first quarter ending 30th June, 2003	By end of July, 2003
2. Results for the second quarter ending 30th September, 2003	By end of October, 2003
3. Results for the first quarter ending 31st December, 2003	By end of January, 2004
4. Results for the first quarter ending 31st March, 2004	By end of June, 2004
5. Annual General Meeting for the year ending March, 2004	By end of August, 2004



Date of Book Closure

The Company's Transfer Books will remain closed from 27th September to 30th September, 2003 (both days inclusive) for the purpose of Annual General Meeting.

Stock Exchange Listing

The Company's shares are listed on Stock Exchange, Mumbai and suspended from trading in National Stock Exchange. The Company has paid annual listing fee to each of the stock exchanges.

Registrar and transfer agents

Intime Spectrum Registry Limited
260, Shanti Industrial Estate
Sarojini Naidu Road
Mulund West, Mumbai - 400 080.

Distribution of shareholding as on 31st March, 2003

Slab of shareholdings	Shareholders	%	Amount in Rs.	%
1-2500	5494	72.04	6259530	5.96
2501-5000	847	11.11	3474600	3.31
5001-10000	548	7.19	4819410	4.59
10001-20000	336	4.41	5513420	5.25
20001-30000	101	1.32	2551710	2.43
30001-40000	61	0.80	2158250	2.06
40001-50000	57	0.75	2726780	2.59
50001-100000	86	1.12	6666040	6.35
Above 100000	96	1.26	70830260	67.46
Total	7626	100.00	105000000	100.00

Shareholding pattern as on 31st March, 2003

Categories	Number of shares	%
Promoters, Directors, relatives and associates	4466523	42.54
Mutual Funds	109600	1.04
Banks and financial Institutions	0.00	0.00
FII's	262100	2.50
Private Corporate Bodies	661211	6.30
Indian Public	4437566	42.26
NRI's/QCB's	561500	5.35
Clearing Members	1500	0.01
Total	10500000	100.00

Dematerialisation of shares

As on 31st March 2003, 35,40,298 (33.72%) shares is in dematerialised form. At present company's shares

are compulsorily traded in dematerialised form as per the notification issued by the Securities and Exchange Board of India. The company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its shareholders.

Share Transfer System

Share holders Grievance Committee also approves share transfers and meets at frequent intervals. M/s Intime Spectrum Registry Limited, Company's Registrars and Share Transfer Agents process these transfers. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects.

Auditors' Certificate on Corporate Governance

We have examined the compliance of Corporate Governance by Twentyfirst Century Management Services Limited for the year ended on 31st March, 2003, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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 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, save for the Company having no Secretary and Independent Directors, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of information and explanation given to us and as per the records maintained by the Company, we state that no investor grievances is pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor effectiveness with which the management has conducted the affairs of the Company.

For Shankar & Kishor
Chartered Accountants

S. B. Shetty
Partner

Place: Mumbai
Date : 16-08-2003



AUDITOR'S REPORT

TO THE MEMBERS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD

We have audited the attached Balance Sheet of TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD as at 31st March 2003, the Profit and Loss Account and Cash flow statement for the year ended on that date annexed thereto for the year ended on that date. These financial statements are 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we attach in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order, on the basis of the information and explanation given to us.

Further to our comments referred to in para 1 above attention is invited to note no.8 of Schedule-N regarding non provision of interest to Banks and Financial Institutions, subject to that we report:

- (i) We have obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of audit.

- (ii) 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 of accounts.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) The accounts of the Company are prepared in accordance with Accounting Standards prescribed under Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- v) The Company has failed to repay its deposits and interest thereon on due date and redeem its debentures on due date and such failure continued for one year and more, consequently all the directors are 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. Due to the pendency of the Scheme with the CLB, in the opinion of the directors, Sec. 274(1)(g) will not apply.

In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with notes thereon and attached thereto, given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2003 and
- b) in the case of Profit & Loss, of the loss of the company for the year ended on that date.

For Shankar & Kishor
Chartered Accountants

S. B. Shetty
Partner

Place: Mumbai
Date : 16-08-2003



ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED (Referred to in Paragraph 1 of our report of even date)

1. The Company has maintained fixed assets register showing full particulars including quantitative details and situation of all its fixed assets which are either in the possession of Company or have been leased out.
2. The company has not revalued any of its fixed assets during the period.
3. The Stock-in-trade & Investments have been physically verified by the Management at reasonable intervals and no discrepancies noticed on such verification. The procedures followed by the management for the physical verification are in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
4. The Company has not taken interest free loan from Companies or firms listed in the register maintained under section 301 of the Companies Act 1956 and from the Companies under the same management.
5. The Company has not given loans or advances in the nature of loans to companies, firms or other parties listed in the Registers maintained under Section 301 and Section 370 (1C) of the Companies Act, 1956.
6. The rate of interest and other terms and conditions, in the case of any loan secured or unsecured to companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are prima facie not prejudicial to the interest of the Company.
7. In respect of loans or advances in the nature of loans given by the Company, repayment of principal and interest is not regular and we are informed that terms and repayment of such loans are not specified. Steps taken to follow-up overdue amount were not adequate considering the circumstances.
8. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with its size and nature of business for the purchase of Plant and Machinery, Equipment and other Assets.
9. The Company being a Non Banking Financial Company incorporated prior to January 9, 1997 had applied for registration as provided under Section 45 1A of the Reserve Bank of India Act, 1934 (2 of 1934). A communication rejecting the application has been received from the Reserve Bank of India notifying that fresh deposits should not be accepted and that maturing deposits should not be renewed.
10. The company has an internal audit system, commensurate with its size and nature of business.
11. The Employees Provident Fund dues have not been regularly deposited with the appropriate authorities by the Company. The Company had not remitted the dues of Rs.4.85 lakhs in time, subsequently paid on the date of this report. As the company is sick and due to the company's policy to give priority to the repayment of the deposits, the company is not in a position to regularly deposit the EPF/ESI dues with the appropriate authorities. However, on the date of this report, the moneys have been remitted.
12. According to the information and explanations given to us there are dues to the Central Government outstanding for a period of more than six months as of the date of this report relating to the period in question.
13. In our opinion and according to the information and explanations given to us, personal expenses of employees or directors have not been charged to revenue account.
14. The Company is not a Sick Industrial Company within the meaning of Clause (O) of sub-section (1) of Section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.
15. The service activities of the Companies do not involve consumption of materials and hence the question of reporting on the existence or otherwise of a reasonable system to record the receipts, issues and consumption of materials does not arise.
16. The Company maintains adequate documents and records, for loans and advances granted on the basis of hypothecation of securities and other loans.
17. As regard daily trading in shares and securities, debentures and other investments, in our opinion proper records have been maintained of the transactions, and contracts and timely entries have been made therein.
18. All other sections of the aforesaid order are not applicable in the case of this company.

For Shankar & Kishor
Chartered Accountants

S. B. Shetty
Partner

Place: Mumbai
Date : 16-08-2003

BALANCE SHEET AS AT 31ST MARCH 2003

(Rupees in Thousands)

	SCHEDULE	31.03.2003 Rs.	31.3.2002 Rs.
SOURCES OF FUNDS			
(1) Shareholders' Funds			
(a) Share Capital	A	104,782	104,782
(b) Reserves & Surplus	B	350,910	350,910
(2) Loan Funds			
(a) Secured Loans	C	87,706	99,010
(b) Unsecured Loans	D	28,264	46,597
TOTAL		571,662.	601,299
APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross Block	E	32,921	60,332
(b) Less Depreciation		27,691	33,799
(c) Net Block		5,230	26,533
Capital Work in progress		--	18,087
		5,230	44,620
(2) INVESTMENTS	F	35,895	26,755
(3) CURRENT ASSETS, LOANS & ADVANCES	G	128,894	313,296
Less :			
CURRENT LIABILITIES & PROVISIONS	H	30,600	46,159
NET CURRENT ASSETS		98,294	267,137
(4) MISCELLANEOUS EXPENDITURE	I	--	824
(5) PROFIT AND LOSS ACCOUNT		432,243	261,963
TOTAL		5,71,662	601,299
NOTES FORMING PART OF ACCOUNTS	N		

AS PER OUR REPORT OF EVEN DATE

for SHANKAR & KISHOR
CHARTERED ACCOUNTANTSSUNDAR IYER
CHAIRMANS. B. SHETTY
PARTNERCHANDRAMOULI
DIRECTOR

Place : Mumbai

Date : 16.08.2003



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2003

(Rupees in Thousands)

	SCHEDULE	31.03.2003 Rs.	31.3.2002 Rs.
INCOME			
Income from Corporate Finance Division	J	15,812	13,792
Income from Capital Market	K	(4,550)	(14,659)
Other Income		1,340	9,235
TOTAL		<u>12,602</u>	<u>8,368</u>
EXPENDITURE			
Employment cost	L	4,627	3,846
Administrative & Operative Expenses	M	9,970	6,554
Bad debts written off		26,255	--
Diminution in value of stock written off		129,248	--
Loss on sale of Building		11,092	--
Depreciation		1,690	2,639
TOTAL		<u>182,882</u>	<u>13,039</u>
Profit for the year		(170,280)	(4,671)
Provision for Tax		--	--
Profit after Tax		(170,280)	(4,671)
Surplus brought forward		(261,963)	(257,292)
Surplus Transferred to Balance Sheet		<u>(432,243)</u>	<u>(261,963)</u>
EPS (Basic/Diluted in Rs.)			
Before Extra Ordinary items		(0.91)	(0.04)
After Extra Ordinary items		(16.22)	(0.04)
Notes to Accounts	N		

AS PER OUR REPORT OF EVEN DATE

for SHANKAR & KISHOR
CHARTERED ACCOUNTANTSS. B. SHETTY
PARTNERPlace : Mumbai
Date : 16.08.2003SUNDAR IYER
CHAIRMANCHANDRAMOULI
DIRECTOR