

# AJCON GLOBAL SERVICES LIMITED

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



## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Ajcon Global Services Limited will be held at the Registered Office of the Company on Thursday, September 08, 2005 at 10.00 a.m. to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2005 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 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 an Ordinary Resolution :  
"RESOLVED THAT Mr. Shashikant B. Limaye who was appointed as an Additional Director of the company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Shashikant B. Limaye as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."
5. To consider and if thought fit to pass with or without modifications the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Narayan Atal who was appointed as an Additional Director of the company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Narayan Atal as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."
6. To consider and if thought fit to pass with or without modifications the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Rajendra Bakiwala who was appointed as an Additional Director of the company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Rajendra Bakiwala as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."
7. To consider and if thought fit to pass with or without modifications the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Ankit Ajmera who was appointed as an Additional Director of the company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Ankit Ajmera as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

By Order of the Board

(Ashok Kumar Ajmera)  
Chairman

### **Mumbai**

18<sup>th</sup> July, 2005

Regd Off. : 101, Samarth, Lt. P.N. Kotnis Road,  
Opp. Laxmi Clinic, Off. Hinduja Hospital, 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 its 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 seven 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 6<sup>th</sup> September 2005 to 8<sup>th</sup> September 2005 (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, Opp. Laxmi Clinic, Off. Hinduja Hospital, Mahim (West), Mumbai 400 016.
7. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is appended to the Notice.

**Annexure to Notice  
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 4 OF THE NOTICE**

Mr. Shashikant B. Limaye was appointed as an additional director of the company in the Board meeting held on 18<sup>th</sup> January, 2005 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under section 257 of the Companies Act, 1956 from member signifying his intension for appointment of Mr. Shashikant B. Limaye as a Director of the Company.

Considering the vast experience of technical appraisals and project evaluation as the former General Manager (Technical), MSFC, it will be in interest of the company to appoint him as director.

The Board recommends the appointment of Mr. Shashikant B. Limaye as Director.

None of the Directors except the Mr. Shashikant B. Limaye is interested or concerned in the aforesaid resolution.

**ITEM NO. 5 OF THE NOTICE**

Mr. Narayan Atal was appointed as an additional director of the company in the Board meeting held on 18<sup>th</sup> January, 2005 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under section 257 of the Companies Act, 1956 from member signifying his intension for appointment of Mr. Narayan Atal as a Director of the Company.

Considering the vast experience of Mr. Narayan Atal in the areas of capital market, project finance and accounts as a practicing Chartered Accountant, it will be in interest of the company to appoint him as director.

The Board recommends the appointment of Mr. Narayan Atal as Director.

None of the Directors except the Mr. Narayan Atal is interested or concerned in the aforesaid resolution.

**ITEM NO. 6 OF THE NOTICE**

Mr. Rajendra Bakiwala was appointed as an additional director of the company in the Board meeting held on 18<sup>th</sup> January, 2005 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under section 257 of the Companies Act, 1956 from member signifying his intension for appointment of Mr. Rajendra Bakiwala as a Director of the Company.

Considering the vast experience of Mr. Rajendra Bakiwala in the areas of taxation, audit and accounts as a practicing Chartered Accountant, it will be in interest of the company to appoint him as director.

The Board recommends the appointment of Mr. Rajendra Bakiwala as Director.

None of the Directors except the Mr. Rajendra Bakiwala is interested or concerned in the aforesaid resolution.

**ITEM NO. 7 OF THE NOTICE**

Mr. Ankit Ajmera was appointed as an Additional Director of the company in Board Meeting held on 18<sup>th</sup> January, 2005 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under section 257 of the Companies Act, 1956 from member signifying his intension for appointment of Mr. Ankit Ajmera as a Director of the Company.

Mr. Ankit Ajmera being a M.B.A. from London possessing good administrative and marketing skills will be of great use to the company.

The Board recommends the appointment of Mr. Ankit Ajmera as Director

None of the directors except Mr. Ankit Ajmera himself, Mr. Ashok Kumar Ajmera and Mr. Ajay Ajmera being relatives of said Mr. Ankit Ajmera are interested or concerned in aforesaid resolution.

**By Order of the Board**

**(Ashok Kumar Ajmera)  
Chairman**

**Mumbai**  
**18<sup>th</sup> July, 2005**  
Regd Off. : 101, Samarth, Lt. P.N. Kotnis Road,  
Opp. Laxmi Clinic, Off. Hinduja Hospital, Mahim (W), Mumbai 400 016.

## DIRECTORS' REPORT

To  
The Members

Your directors have great pleasure in presenting the Eighteenth Annual Report and the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2005.

### FINANCIAL RESULTS

	Year Ended 31/03/2005 (Rs. in Lacs)	Year Ended 31/03/2004 (Rs. in Lacs)
Income from Operations and Other Income	100.13	66.84
Profit before Financial Overheads & Dep.	49.39	24.03
Less: Financial overheads	8.26	10.57
Less: Depreciation	7.74	6.42
Profit before Tax	33.39	7.04
Less: Provision for Tax	3.20	0.25
Profit after Tax	30.19	6.79
Add: Surplus/(Deficit) brought forward	(29.88)	(36.67)
Profit/(Loss) carried to Balance Sheet	0.31	(29.88)

### OPERATIONS:

The operations of the Company for the year under review have resulted in the gross profit of Rs.49.39 Lacs against Rs.24.03 Lacs in the previous year. After providing for interest, depreciation and taxes, the Company has earned a net profit of Rs.30.19 Lacs as against the profit of Rs. 6.79 Lacs in the previous year.

### FUTURE OUTLOOK:

Considering the boom in the capital markets, more particularly for the business of financial intermediaries, and also keeping in mind the goodwill, experience and expertise which the company & its core management team enjoys/possesses, the Board has thought it fit to expand its horizon, so as to cover entire gamut of financial activities viz. Equity (Cash and F&O) segment, commodity broking, Forex trading, depository services, online internet trading, portfolio management services, merchant banking services, marketing of IPO & other financial products, book builders, book runners etc. The Board has chalked out an expansion plan of opening 100 branches in India & overseas to be implemented in two phases, first phase of 25 branches and the second of remaining 75 branches. The Company is in talk with some large companies, banks, institutions for a tie-up with mutual benefit to use their home infrastructure & facilities for Company's activities.

### SUBSIDIARY COMPANY

The operations of subsidiary company, Ajcon Finance Limited remained normal during the year. However, the Company is carrying out comprehensive business restructuring exercise. Under this programme Ajcon Finance Limited has applied for membership of Multi Commodity Exchange (MCX) for commodity broking and consequent upon the same the name of company is also being changed to Ajcon Commodity Brokers Ltd.

During the year the Ajcon Global Services Limited has sold 11.25% of the total shareholding in Ajcon Finance Limited for Rs.38,25,000/- thereby making gain of Rs.15,75,000/-.

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 31<sup>st</sup> March 2005 are appended to the Annual Report.

### DIVIDEND

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

### DIRECTORS

During the year under review Mr. Avinash Tripathi resigned as the director. The Board expresses its appreciation for the services rendered by Mr. Avinash Tripathi.

The Board has appointed Mr. Shashikant B. Limaye as additional director in Board Meeting held on 18<sup>th</sup> January, 2005. He will vacate his office at ensuing Annual General Meeting. Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Shashikant B. Limaye as a Director of the Company.

Brief Profile of Mr. Shashikant B. Limaye

**(M.Sc, M.Tech., L.E.E., L.M.E, Grad I.E. (India), DBM, DIM)**

Mr. Limaye, a M.Tech, has vast experience of technical appraisals and project evaluation as the former General Manager (Technical), MSFC. He is an expert in chemical projects and during a long tenure of 30 years with MSFC has appraised and evaluated a large number of small and medium sized projects.

Considering the vast experience of technical appraisals and project evaluation as the former General Manager (Technical), MSFC, it will be in interest of the company to appoint him as director.

The Board recommends the appointment of Mr. Shashikant B. Limaye as Director.

The Board has appointed Mr. Narayan Atal as additional director in Board Meeting held on 18<sup>th</sup> January, 2005. He will vacate his office at ensuing Annual General Meeting. Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Narayan Atal as a Director of the Company.

**Brief Profile of Mr. Narayan Atal  
(F.C.A, ICWAI, LLB (Gen))**

Mr. Narayan Atal is a practicing Chartered Accountant from Mumbai. He has the vast experience in areas of Capital Market, Account, Project Finance and Legal Matters from last 25 years. He is also holding a directorship in Jhunjharji Investment Pvt. Ltd. and Pratap Co-Op Bank Ltd.

Considering the vast experience of Mr. Narayan Atal in the areas of capital market, project finance and accounts as a practicing Chartered Accountant, it will be in interest of the company to appoint him as director.

The Board recommends the appointment of Mr. Narayan Atal as Director.

The Board has appointed Mr. Rajendra Bakiwala as additional director in Board Meeting held on 18<sup>th</sup> January, 2005. He will vacate his office at ensuing Annual General Meeting. Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Rajendra Bakiwala as a Director of the Company.

**Brief Profile of Mr. Rajendra Bakiwala  
(B.Com, F.C.A.)**

Mr. Rajendra Bakiwala is a practicing Chartered Accountant from Jaipur. He has handled various professional assignment audits, taxation and financial Consultancy during last 25 years.

Considering the vast experience of Mr. Rajendra Bakiwala in the areas of Audit, Taxation & Financial Consultancy as a practising Chartered Accountant, it will be in interest of the Company to appoint him as Director.

The Board recommends the appointment of Mr. Rajendra Bakiwala as Director.

The Board has appointed Mr. Ankit Ajmera as additional director in Board Meeting held on 18<sup>th</sup> January, 2005. He will vacate his office at ensuing Annual General Meeting. company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Ankit Ajmera as a Director of the Company.

**Brief Profile of Mr. Ankit Ajmera  
(B.Com , M.B.A, U.K.)**

Mr. Ankit Ajmera has done his Graduation in Commerce from Mumbai University and completed his M.B.A. from U.K. He possesses vast knowledge & experience of capital markets.

Mr. Ankit Ajmera being a M.B.A. from London possessing good administrative and marketing skills will be of great use to the company.

The Board recommends the appointment of Mr. Ankit Ajmera as Director

**Retiring Director**

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

**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**

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a management discussion and analysis statement, Corporate Governance Report and Auditor Certificate are included in the Annual Report.

**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 31<sup>st</sup> March, 2005 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 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.

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31<sup>st</sup> March, 2005 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their thanks and gratitude to Company's bankers, Institutional & other clients & customers, 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**

**(Ashok Kumar Ajmera)  
Chairman**

**Mumbai  
18<sup>th</sup> July 2005**

**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**

As on 31<sup>st</sup> March, 2005 the Board of Directors comprised the Managing Directors, two other interested directors and three non executive independent directors, who brings in a wide range of skill and experience to the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

**b. No. of Board Meetings held during the year along with the dates of the meeting:**

During the year 7 (Seven) Board Meetings were held on following dates:

Sr. No.	Date	Sr. No.	Date
1 <sup>st</sup>	30.06.2004	5 <sup>th</sup>	30.10.2004
2 <sup>nd</sup>	31.07.2004	6 <sup>th</sup>	02.12.2004
3 <sup>rd</sup>	31.08.2004	7 <sup>th</sup>	18.01.2005
4 <sup>th</sup>	30.09.2004		

**c. 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		Member ships	Chairman ships
Promoter / Executive Directors	Mr. Ashok Kumar Ajmera	7	1	2	-	-
	Mr. Ajay Ajmera	7	1	-	-	-
	Mr. Ankit Ajmera	1	-	2	-	-
Non Executive Directors	Mr. Avinash Tripathi	7	1	-	-	-
	Mr. Narayan Atal	1	-	1	-	-
	Mr. Rajendra Bakiwala	1	-	-	-	-
	Mr. S.B. Limaye	1	-	-	-	-

\* Does not include directorship of Pvt. Limited Companies.

**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:**

Currently the 3 Member Audit Committee comprises of 2 Non-Executive and Independent Director (NED) Mr. Rajendra Bakiwala - Director and Mr. Narayan Atal – Directors and one Executive Director Mr. Ashok Kumar Ajmera all of whom are Chartered Accountants. Mr. Narayan Atal is presently the Chairman of the committee. Till 18th January 2005 Mr. Avinash Tripathi was the member of the committee as Non-executive Independent Director and was also 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
Mr. Narayan Atal	1
Mr. Rajendra Bakiwala	1

**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 2004- 2005 is given below:

Directors	Salary (Rs.)	Benefits (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Ashok Ajmera	2,67,000	2,67,000	-	-	5,34,000
Mr. Ajay Ajmera	1,20,000	-	-	-	1,20,000
Mr. Ankit Ajmera	27,500	27,500	-	-	55,000
Mr. Avinash Tripathi	-	-	-	3500	3,500
Mr. S.B. Limaye	-	-	-	500	500
Mr. Narayan Atal	-	-	-	500	500
Mr. Rajendra Bakiwla	-	-	-	500	500

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 years at the 15<sup>th</sup> Annual General Meeting of the Company held on 30.09.2002.

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

**1.5 Shareholders' / Investors' Grievance Committee:**

- 2 member Shareholders' / Investors' Grievance Committee is comprised of Mr.S.B.Limaye, a NED and Mr. Ankit Ajmera Compliance Officer of the company.
- During the year the company received 4 investor complaints which was satisfactorily resolved.
- 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
2001-02	316, Vasan Udyog Bhavan, Senapati Bapat Marg, Lower Parel, Mumbai 400013.	30.09.2002	10.00 a.m.
2002-03	101, Samarth, Lt. P.N. Kotnis Road, Opp. Laxmi Clinic, Off. Hinduja Hospital,	11.09.2003	10.00 a.m.
2003-04	Mahim (W), Mumbai 400016.	30.09.2004	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](http://www.ajcon.net).
- These results are also displayed on SEBI's website [www.sebidifar.nic.in](http://www.sebidifar.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, 8<sup>th</sup> September, 2005  
Time : 10.00 a.m.  
Venue : Registered Office of the Company

**FINANCIAL CALENDER**

(Tentative & subject to change)

First quarter results ending 30.06.2005 : by July 31, 2005.  
Second quarter results ending 30.09.2005 : by October 31, 2005.  
Third quarter results ending 31.12.2005 : by January 31, 2006.  
Last quarter/Unaudited annual results ending 31.03.2006 : by April 30, 2006.  
Annual General Meeting for the Year ended 31.03.2006 : by September 30, 2006.  
Date of Book Closure : 06.09.2005 till 08.09.2005 both days inclusive



**LISTING ON STOCK EXCHANGES**

The Mumbai Stock Exchange (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023.  
 Annual Listing Fees as prescribed has been paid to the stock exchange for the year 2005-2006.  
 The Company has applied for the Delisting from the Ahmedabad, Jaipur & the Madhya Pradesh Stock Exchanges.  
 Stock exchange Code: **511692 (BSE)**  
 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, Opp. Laxmi Clinic,  
 Off. Hinduja Hospital, Mahim (West), Mumbai 400016.  
 Tel: 022 2446 0335 / 36 / 40  
 Fax : 022 2446 0339  
 Email : ajcon@ajcon.net

**STOCK 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 2004	4.29	2.69	October 2004	3.00	3.00
May 2004	4.29	4.29	November 2004	4.00	3.59
June 2004	4.29	4.29	December 2004	3.55	2.05
July 2004	3.44	3.44	January 2005	6.61	3.75
August 2004	3.44	3.44	February 2005	5.69	3.08
September 2004	3.44	3.44	March 2005	5.17	3.01

**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 31.03.2005**

Category	No. of shares held	Percentage of Shareholding
<b>A. PROMOTERS HOLDING</b>		
1. PROMOTERS		
a. INDIAN PROMOTERS	23,59,175	49.14
b. FOREIGN PROMOTERS	—	—
2. PERSONS ACTING IN CONCERT	—	—
<b>SUB TOTAL</b>	<b>23,59,175</b>	<b>49.14</b>
<b>B. NON PROMOTERS HOLDING</b>		
3. INSTITUTIONAL INVESTORS		
a. MUTUAL FUNDS	1,13,000	2.35
b. BANKS, FINANCIAL INSTITUTIONS INSURANCE COMPANIES (CENTRAL / STATE GOVT. INSTITUTION / NON GOVERNMENT INSTITUTIONS	300	0.01
c. FII's	—	—
<b>SUB TOTAL</b>	<b>1,13,300</b>	<b>2.36</b>
4. OTHERS		
a. PRIVATE CORPORATE BODIES	10,16,088	21.16
b. INDIAN PUBLIC	10,72,987	22.35
c. NRIS / OCB	2,39,650	4.99
d. ANY OTHER (PLEASE SPECIFY)	—	—
<b>SUB TOTAL</b>	<b>23,28,725</b>	<b>48.50</b>
<b>GRAND TOTAL</b>	<b>48,01,200</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES**

The shares of the company are traded in compulsorily dematerialized form. As on 31.03.2005, 9,62,450 equity shares have been dematerialized.

**ADDRESS FOR CORRESPONDENCE**

Ajcon Global Services Limited  
101, Samarth, Lt. P. N. Kotnis Road, Opp. Laxmi Clinic,  
Off. Hinduja Hospital, 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.

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**Broking Services**

Till date the company is empanelled with large financial institutions, bank & mutual funds for its broking activities. During the year under review the company has added many more such clients.

The company has reported good profits in F.Y.2004-2005 which helped it strengthen its Networth position. On this strong note company has approached some other banks & financial institutions and confident of grabbing more and more institutional clientele.

On the other hand under its mega expansion plan company has planned setting up of 100 branches in India and Overseas. With this network expansion and introduction of variety of services in the area of finance and investments, the company is planning to project itself as complete financial solutions provider. Various services that the company is currently providing and planning to provide in future are as follows:

- ✓ Equity Broking in Cash and F & O Segment
- ✓ Commodity Broking
- ✓ Forex Trading
- ✓ Depository services
- ✓ Online Internet Trading
- ✓ Portfolio Management Services
- ✓ Merchant Banking Services
- ✓ Marketing of IPO & Other Financial Products
- ✓ Book Builders & Book Runners.

**Consultancy & Corporate Advisory Services**

Company is having a team of experienced professionals having expertise in the area of finance and project consultancy. Company has successfully and satisfactorily executed projects in almost every segment of industry & service sector. During the year under review the company has added many more valuable client.

**Analysis of Financial Trends**

(Rs. in Lacs)

Financial Year	Gross Revenue	Net Profits
F.Y.2004-2005	100.13	30.19
F.Y.2003-2004	66.84	6.79
F.Y.2002-2003	49.89	3.26

**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.



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**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 31<sup>st</sup> March, 2005, 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

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

Mumbai  
18<sup>th</sup> July, 2005

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**AUDITORS' REPORT**

To

THE MEMBERS OF AJCON GLOBAL SERVICES LTD

We have audited the attached Balance Sheet of AJCON GLOBAL SERVICES LTD as at 31<sup>st</sup> March 2005 and also the Profit and Loss Account and Cash Flow Statement 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.

1. 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 the reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government 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.
3. Further to our comments in the Annexure referred to in Paragraph 2 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 Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by 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 to the extent applicable to the Company;
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2005 and taken on records by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March 2005 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;
  - f) **Attention is drawn to the following –**
    - i) **Note No. 5 regarding provision of deferred taxation as required by the Accounting Standard – 22 — Taxes on Income issued by ICAI, the company has not provided for the deferred tax liability.**
    - ii) **Had the impact of item No. (f)(i) been considered the profit for the period would have notionally decreased by Rs.8.15 Lacs and Balance of Profit and Loss account would have been Debit of Rs.7.84 Lacs**
  - g) Subject to above, 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:
    - i) In the case of Balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2005,
    - ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date, and
    - iii) 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  
18<sup>th</sup> July, 2005

**ANNEXURE TO AUDITORS' REPORT**

(Referred to in Paragraph (2) of our report of even date)

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of a major portion of fixed assets as at 31<sup>st</sup>. March, 2005 was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) During the year, the Company has not disposed off any Fixed Assets and therefore the going concern status of the Company is not affected.
2. In respect of inventories,
  - a) Companies inventory is comprising of only the shares and securities. The Management during the year has physically verified these stocks which were not in dematerialised form and the rest were verified through demat statements of depositaries. In our opinion the frequency of such verification was reasonable.
  - b) The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book record.
3. In respect of loans, secured or unsecured, granted or taken by the company to and from companies, firms or other parties covered in the Register maintained under Section 301 of the companies Act, 1956;

The company has granted interest free loans of Rs. 40.00 lacs to its subsidiary company. There are no stipulations as regards repayment of the said loan amount and hence the question of overdue amounts dose not arise.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of equipments and other assets and with regards to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. To the best of our knowledge and belief and according to the information and explanations given to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed, maintenance of cost records under section 209(1) (d) of the Companies Act 1956.
9. According to the records the Company was not required to pay any provided fund amount. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, and cess were outstanding as at 31<sup>st</sup> March,2005 for a period of more than six months from the date they become payable.
10. The company does not have any carry forward losses and also not incurred cash loss in the immediately preceding financial year.
11. According to the information and explanation given to us by the management, the Company has not defaulted in scheduled repayment of dues to banks and financial institutions.
12. Based on our examination of the records and the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is dealing and trading in shares, securities, debentures and other investments and has maintained proper records of the transactions and contracts and timely entries are made therein. All the shares, securities, debentures and other securities have been held by the company in its own name except to the extent of exemption granted under Section 49 of the Act.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by other from bank or financial institutions.
16. According to the information and explanations given to us, the term loan from bank during the year has been applied by the company for the purpose for which loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment, and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures.
20. The Company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For G.N. SHANBHAG & CO.**  
*Chartered Accountants*

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

**Mumbai**  
**18<sup>th</sup> July, 2005**

**BALANCE SHEET AS ON 31ST MARCH 2005**

<b>LIABILITIES</b>	<b>Schedule</b>	<b>Rs.</b>	<b>2004-2005 Rs.</b>	<b>2003-2004 Rs.</b>
<b>Sources of Funds</b>				
<b>Shareholders Funds</b>				
Share Capital	A	54,512,000		54,512,000
Reserves and Surplus	B	<u>31,059</u>	54,543,059	-
<b>Borrowed Funds</b>				
Secured Loans	C	6,000,000		-
Unsecured Loans	D	<u>10,800,000</u>	<u>16,800,000</u>	<u>12,407,523</u>
			<b><u>71,343,059</u></b>	<b><u>66,919,523</u></b>
<b>ASSETS</b>				
<b>Application of Funds</b>				
<b>Fixed Assets</b>				
Gross Block	E	17,206,103		7,033,551
Less: Depreciation		<u>4,633,871</u>		<u>3,859,601</u>
Net Block			12,572,232	3,173,950
<b>Investment</b>				
	F		17,750,000	20,000,000
<b>Current Assets &amp; Loans and Advances</b>				
Inventories	G	12,538,008		12,192,248
Sundry Debtors	H	11,091,588		13,032,021
Cash & Bank	I	2,701,082		2,159,737
Loans & Advances	J	<u>21,083,189</u>		<u>21,084,013</u>
			47,413,867	48,468,019
<b>Less: Current Liabilities &amp; Provisions</b>				
Current Liabilities	K	6,048,040		7,836,840
Provision for Taxation		<u>345,000</u>		<u>25,000</u>
			6,393,040	7,861,840
<b>Net Current Assets</b>			41,020,827	40,606,179
<b>Miscellaneous Expenditure</b>				
(to the extent not written off or adjusted)	L		-	151,291
<b>Profit and Loss Account (Dr.)</b>			-	<u>2,988,103</u>
			<b><u>71,343,059</u></b>	<b><u>66,919,523</u></b>
Notes forming the part of accounts	R			

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
 CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
 PROPRIETOR  
 M. No. 32057

**Ashok Kumar Ajmera**  
 MANAGING DIRECTOR

**S.B. Limaye**  
 DIRECTOR

**Narayan Atal**  
 DIRECTOR

**Rajendra Bakiwala**  
 DIRECTOR

Mumbai  
 18<sup>th</sup> July, 2005

**Ajay Ajmera**  
 DIRECTOR

**Ankit Ajmera**  
 DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005**

Particulars	Schedule	2004-2005 Rs.	2003-2004 Rs.
<b>INCOME</b>			
Income from Operations	M	8,089,294	5,808,429
Other Income	N	1,690,694	147,123
Profit from ShareTrading (Net)	O	233,072	728,574
		<u>10,013,060</u>	<u>6,684,126</u>
<b>EXPENDITURE</b>			
Administrative and Operative Expenses	P	4,922,169	3,930,441
Financial Expenses	Q	826,168	1,057,000
Depreciation		774,270	641,753
Preliminary and Pre-Operative Expenses Written off		151,291	350,559
		<u>6,673,898</u>	<u>5,979,753</u>
<b>Profit Before Tax</b>		3,339,162	704,373
Provision for Tax		320,000	25,000
<b>Profit After Tax</b>		3,019,162	679,373
<b>Add: Balance brought forward</b>		(2,988,103)	(3,667,476)
<b>Balance carried forward to Balance sheet</b>		<u>31,059</u>	<u>(2,988,103)</u>
<b>Earning Per Share - Basic &amp; Diluted</b>		0.63	0.14
Notes forming the part of accounts	R		

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR



**SCHEDULES 'A' TO 'R' ANNEXED TO AND FORMING PART OF ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2005**

<u>PARTICULARS</u>	<u>2004-2005</u> Rs.	<u>2003-2004</u> Rs.								
<b>Schedule A</b>										
<b>SHARE CAPITAL</b>										
<b>Authorised</b>										
48,50,000 (48,50,000) Equity Shares of Rs.10 each	48,500,000	48,500,000								
65,000 (65,000) Preference Shares of Rs. 100 each	6,500,000	6,500,000								
	<u>55,000,000</u>	<u>55,000,000</u>								
<b>Issued, Subscribed &amp; Paid up</b>										
48,01,200 (48,01,200) Equity Shares of Rs.10/- each fully paid up ( out of this 2,90,250 Equity Shares were allotted as fully paid up by way of bonus shares by capitalisation of General Reserve)	48,012,000	48,012,000								
65,000 (65,000) Preference Shares of Rs. 100 each fully paid up	6,500,000	6,500,000								
	<u>54,512,000</u>	<u>54,512,000</u>								
<b>Schedule B</b>										
<b>RESERVES &amp; SURPLUS</b>										
Profit and Loss Account	31,059	(2,988,103)								
	<u>31,059</u>	<u>(2,988,103)</u>								
<b>Schedule C</b>										
<b>SECURED LOANS</b>										
Loan From Bank	6,000,000	-								
	<u>6,000,000</u>	<u>-</u>								
<b>Schedule D</b>										
<b>UNSECURED LOANS</b>										
From Bank	4,700,000	6,507,523								
Intercorporate	2,400,000	2,400,000								
Security/Margin Deposits	3,700,000	3,500,000								
	<u>10,800,000</u>	<u>12,407,523</u>								
<b>Schedule E</b>										
<b>FIXED ASSETS</b>										
ASSET	<b>GROSS BLOCK</b>				<b>DEPRECIATION</b>				<b>NET BLOCK</b>	
	As at 1.4.2004	Addition 2004-2005	Deduction 2004-2005	As at 31.3.2005	As at 1.4.2004	Deductions Rs.	for the year Rs.	As at 31.3.2005 Rs.	As at 31.3.2005 Rs.	As at 31.3.2004 Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OFFICE PREMISES	-	6,159,857	-	6,159,857	-	-	5,777	5,777	6,154,080	-
FURNITURE	353,024	1,735,000	-	2,088,024	267,434	-	29,267	296,701	1,791,323	85,590
COMPUTERS	3,015,507	1,441,450	-	4,456,957	2,643,931	-	602,763	3,246,694	1,210,263	371,576
MOTOR VEHICLES	716,466	-	-	716,466	494,279	-	68,064	562,343	154,123	222,187
AIR CONDITIONER	145,813	264,000	-	409,813	68,085	-	10,558	78,643	331,170	77,728
ELECTRICAL INSTALLATIONS	429,895	474,690	-	904,585	179,739	-	32,969	212,708	691,877	250,156
OFFICE EQUIPMENTS	361,846	97,555	-	459,401	206,133	-	24,872	231,005	228,396	155,713
REGISTRATION FEES	350,000	-	-	350,000	-	-	-	-	350,000	350,000
STOC EXCHANGE CARD	1,661,000	-	-	1,661,000	-	-	-	-	1,661,000	1,661,000
	<u>7,033,551</u>	<u>10,172,552</u>	<u>-</u>	<u>17,206,103</u>	<u>3,859,601</u>	<u>-</u>	<u>774,270</u>	<u>4,633,871</u>	<u>12,572,232</u>	<u>3,173,950</u>
PREVIOUS YEAR	7,033,551	-	-	7,033,551	3,217,848	-	641,753	3,859,601	3,173,950	3,815,703



	<u>2004-2005</u> Rs.	<u>2003-2004</u> Rs.
<b>Schedule F</b>		
<b>INVESTMENTS (At Cost)</b>		
<u>Unquoted Shares</u>		
17,75,000 (20,00,000) Equity Shares of Rs. 10/- each of Ajcon Finance Ltd. a subsidiary company	17,750,000	20,000,000
	<u>17,750,000</u>	<u>20,000,000</u>
<b>Schedule G</b>		
<b>INVENTORIES (At Cost)</b>		
Stock of Shares and Securities	12,538,008	12,192,248
	<u>12,538,008</u>	<u>12,192,248</u>
<b>Schedule H</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding Six months	2,664,592	2,764,592
Others	8,426,996	10,267,429
	<u>11,091,588</u>	<u>13,032,021</u>
<b>Schedule I</b>		
<b>CASH &amp; BANK BALANCE</b>		
Cash In Hand	160,794	34,849
Balance with Scheduled Banks		
- in Current Account	820,853	458,978
- in Fixed Deposit Account	1,719,435	1,665,910
	<u>2,701,082</u>	<u>2,159,737</u>
<b>Schedule J</b>		
<b>LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received	8,959,881	8,962,713
Advance to staff	449,808	412,800
Deposits	11,673,500	11,708,500
	<u>21,083,189</u>	<u>21,084,013</u>
<b>Schedule K</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for trade and others	4,248,040	6,836,840
Advances from constituents	1,800,000	1,000,000
	<u>6,048,040</u>	<u>7,836,840</u>
<b>Schedule L</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extend not written off or adjusted)		
Share Issue Expenses	151,291	462,901
Priliminary Expenses	-	38,949
	<u>151,291</u>	<u>501,850</u>
Less : Written off during the year	151,291	350,559
	<u>-</u>	<u>151,291</u>
<b>Schedule M</b>		
<b>INCOME FROM OPERATIONS</b>		
Income from Consultancy and Advisory Services	4,160,337	2,471,065
Income from Stock Market Operations	3,763,957	3,141,764
Commission and Conducting Fees	165,000	195,600
	<u>8,089,294</u>	<u>5,808,429</u>



	<u>2004-2005</u> Rs.	<u>2003-2004</u> Rs.
<b>Schedule N</b>		
<b>OTHER INCOME</b>		
Interest (TDS Rs. 19629/-)	94,128	132,607
Miscellaneous Income	21,566	14,516
Profit on Sale of Investments	1,575,000	-
	<u>1,690,694</u>	<u>147,123</u>
<b>Schedule O</b>		
<b>PROFIT FROM SHARE TRADING (Net)</b>		
Sale of Shares and Securities	221,059,210	244,859,210
Closing Stock of Shares and Securities	12,538,008	12,192,248
Total (A)	<u>233,597,218</u>	<u>257,051,458</u>
Opening Stock of Shares and Securities	12,192,248	13,185,986
Purchase of Shares and Securities	221,171,898	243,136,898
Total (B)	<u>233,364,146</u>	<u>256,322,884</u>
(A-B)	<u>233,072</u>	<u>728,574</u>
<b>Schedule P</b>		
<b>ADMINISTRATIVE AND OPERATIVE EXPENSES</b>		
Office Rent	192,000	187,500
Insurance Premium	80,500	75,089
Salaries and Retainership Fees	1,827,600	1,065,320
Staff Welfare	262,563	212,450
Postage, Courier and Telephone	272,600	244,503
Electricity Charges & expenses	240,631	225,698
Printing & Stationery	161,200	148,646
Advertising & Business Promotion	181,600	136,511
Repairs & Maintainance	238,185	466,314
Travelling & Conveyance	427,395	309,312
Membership & Subscription	205,350	188,500
Auditors' Remuneration	23,142	18,750
Legal & Professional Fees	183,200	153,200
Commisssion, Discount and Rebate	84,200	94,137
Sundry Expenses	280,873	269,948
Transaction Charges	261,130	134,563
	<u>4,922,169</u>	<u>3,930,441</u>
<b>Schedule Q</b>		
<b>FINANCIAL EXPENSES</b>		
Interest and Delayed Payment charges	758,964	999,681
Bank Charges and Commission	67,204	57,319
	<u>826,168</u>	<u>1,057,000</u>

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**Schedule R****Notes to Accounts for the year ended 31<sup>st</sup> March 2005**

## 1. Significant Accounting Policies

**a) Method of Accounting:**

The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

**b) Fixed Assets:**

Registration fees for Membership of SEBI, AMBI and Stock Exchange Card have been shown as fixed Assets and stated at cost without considering the erosion in the value. All other fixed assets are stated at cost of acquisition less depreciation.

**c) Depreciation:**

No depreciation is provided on Membership fees and Stock Exchange Card. Depreciation on all other assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**d) Investments:**

Investments are stated at cost without considering increase or erosion in value.

**e) Inventories:**

Inventories consisting of stocks and securities are stated at cost without considering increase or erosion in value thereof.

**f) Revenue Recognition:**

- i. Revenue is recognized where there is reasonable certainty of its ultimate realization.
- ii. Consultancy and Advisory fees are accounted on accrual basis depending on the progress of assignment.
- iii. Brokerage on stock market operations is recognized on completion of settlement period.
- iv. Dividend income has been accounted on receipt basis.
- v. Income other than above is accounted on accrual basis.

**g) Amortisation of preliminary expenses:**

Share Issue expenses and Preliminary expenses are amortized over a period of ten years against Profit and Loss account. During the year all the preliminary expenses are completely written off.

## 2. Contingent liabilities:

Bank Guarantees for Rs. 35,00,000/- (less margin deposit of Rs. 17,19,435/- issued by the bankers of the company in favour of the National Stock Exchange Ltd. (NSE) and the National Securities Clearing Corporation Ltd. (NSCCL).

## 3. No interest has been provided on amount of Inter Corporate Deposit of Rs. 24.00 lakhs under dispute, which the management is confident of settling on favorable terms.

## 4. Secured Loans

The term loan obtained from the Bank is secured by mortgage of immovable property, hypothecation of movable fixed assets and personal guarantee of Managing Director.

## 5. Provision for Taxation

**- Current Tax**

Provision for current year taxation has been done as per the prevailing tax laws.

**- Deferred Tax**

There is timing difference in the income tax liability due to different rate of depreciation allowed as per Income Tax Act, 1961 and rate of depreciation applied in books of accounts as per Companies Act, 1956. This results into deferred tax liability of Rs.8,15,067/-. But in the perception of the management, due to uncertainty of the sufficient future taxable income against which such depreciation can be absorbed, the company has not provided for deferred tax liability during the year.

## 6. In the opinion of the Board of Directors, the current assets, loans and advances are of the value as stated, if realised in the ordinary course of the business, except to the extent of the erosion in the value of stock which is undeterminable, due to non availability of market quotations in some of cases. The Book Debts of Rs. 26,64,592/- (Rs. 27,64,592/-) are outstanding for the period exceeding six months but considered good by the management and hence not provided for.

## 7. Advances recoverable in cash or in kind or for value to be received include Rs. 40,00,000/- (Rs. 40,00,000/-) due from subsidiary company.

## 8. Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation, if any.

## 9. Related Party Disclosures:

## a) Relationships:

**i. Where control exists**

Ajcon Finance Limited  
 Ajcon Consultants Private Limited  
 Ajcon Communications Private Limited  
 Ajcon Exports Private Limited  
 Ajcon IT.Com Limited.  
 A. Ajmera & Associates

**ii. Key Management Personnel**

Mr. Ashok Kumar Ajmera	Managing Director
Mr. Ajay Ajmera	Director
Mr. Ankit Ajmera	Director
Mr. Anuj Ajmera	Relative



b) Disclosure of transactions between the group and related parties and the status of outstanding balance as at 31.03.2005:

Nature of Transaction	Party	Enterprises where control exists	Key Management Personnel
Remuneration and Salary paid	Ashok Kumar Ajmera	N.A.	5,34,000.00
	Ajay Ajmera		1,20,000.00
	Ankit Ajmera		3,30,000.00
Web Site Development Expenses	Ajcon IT.Com Limited	6,000.00	N.A.
Loans Balance Outstanding (Dr.)	Ajcon Finance Limited	40,00,000.00	N.A.

10. Managerial remuneration under Section 198 of the Companies Act, 1956:

	<u>2004-2005</u> (Rupees)	<u>2003-2004</u> (Rupees)
a) Paid to Managerial persons	7,04,000.00	6,09,000.00
	<u>7,04,000.00</u>	<u>6,09,000.00</u>

The Company is of the opinion that the computation of the net profit U/s.349 of the Companies Act, 1956 need not be made since no commission is paid/payable to the Directors for the period.

11. Statement pursuant to Section 212 of the Companies Act, 1956 is appended hereto.

12. Auditors' Remuneration:

	<u>2004-2005</u> (Rupees)	<u>2003-2004</u> (Rupees)
a) Statutory Audit Fees	13,224.00	13,125.00
b) Tax Audit Fees	4,408.00	2,625.00
c) Other services	5,510.00	3,000.00
	<u>23,142.00</u>	<u>18,750.00</u>

13. Information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956. (to the extent applicable and as certified by the management)

a) Quantitative Details: **Shares and Securities**

The Company trades in equity shares, which involves purchase and sale of equity shares. Such trades are settled with actual delivery of the shares or without the delivery of the shares. Considering the volume of the transactions and variety of scripts, traded at various different prices, it is not practical and meaningful to compile the quantitative details of the shares and securities. Hence, the quantitative details are not furnished.

b) CIF value of imports, Expenditure & Earning in foreign exchange. Out of total travelling expenses, Rs. 95,331/- are incurred in foreign currency towards the travel expenses of the foreign visit of the Managing Director.

c) Break up of Imported & Indigenous materials and components concerned. : N.A.

d) Previous years figures are mentioned in bracket.

14. Previous year's figures are regrouped, reclassified or rearranged wherever necessary in order to bring them in conformity with the current year's fluctuations.

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

*(INFORMATION PURSUANT TO PART IV OF SCHEDULE VI)***Balance Sheet abstract and a company profile****A. Registration Details**

*Registration No.* : 41941  
*Balance Sheet Date* : 31.03.2005

**B. Capital raised during the year (Amount in Rs.Thousand)**

<i>Public Issue</i> : Nil	<i>Right Issue</i> : Nil
<i>Bonus Issue</i> : Nil	<i>Private Placement</i> : Nil

**C. Position of Mobilisation and Deployment of funds**

<i>Total Liabilities</i> : 71,343	<i>Total Assets</i> : 71,343
<b>Sources of funds</b>	<b>Application of funds</b>
<i>Paid up capital</i> : 54,512	<i>Net Fixed Assets</i> : 12,572
<i>Reserves and Surplus</i> : 31	<i>Investments</i> : 17,750
<i>Secured Loans</i> : 6,000	<i>Net Current Assets</i> : 41,021
<i>Unsecured Loans</i> : 10,800	<i>Misc. Expenditure</i> : Nil

**D. Performance of Company**

<i>Turnover</i> : 10,013	<i>Total Expenditure</i> : 6,674
<i>Profit before tax</i> : 33,39	<i>Profit after tax</i> : 3,019
<i>Earning per share (Rs.)</i> : 0.63	<i>Dividend</i> : Nil

**E. Generic names of three principal products/ services of the company**

<i>Product Description</i> : N.A.	<i>Item code No. (ITC Code)</i> : N.A.
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As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
 CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
 PROPRIETOR  
 M. No. 32057

**Ashok Kumar Ajmera**  
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**Rajendra Bakiwala**  
 DIRECTOR

Mumbai  
 18<sup>th</sup> July, 2005

**Ajay Ajmera**  
 DIRECTOR

**Ankit Ajmera**  
 DIRECTOR

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2005

	2004-2005		2003-2004	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flows from Operating Activities</b>				
Net Profit before Tax		3,339,162		704,373
<b>Adjustments for:</b>				
Depreciation	774,270		641,753	
Preliminary exps w/off	151,291		350,559	
Interest and finance charges (net)	732,040	1,657,601	924,393	1,916,705
<b>Operating profit before working capital changes</b>		4,996,763		2,621,078
<b>Adjustments for:</b>				
Trade and other receivables	1,941,257		1,745,453	
Inventories	(345,760)		993,738	
Current Liabilities	(1,788,800)	(193,303)	(60,886)	2,678,305
<b>Cash generation from operations</b>		4,803,460		5,299,383
Interest and Finance charges paid (net)		(732,040)		(924,393)
Taxation		-		(75,000)
<b>Net Cash Flow from Operating Activities</b>		4,071,420		4,299,990
<b>B. Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	(10,172,552)		-	
Sale of Fixed Assets	-		-	
Sale of Investments	2,250,000		-	
<b>Net Cash from Investing activities</b>		(7,922,552)		-
<b>C. Cash Flows from Financing Activities</b>				
Secured Loans	6,000,000			
Unsecured Loans	(1,607,523)		(3,973,088)	
<b>Net Cash from Financing activities</b>		4,392,477		(3,973,088)
Net increase in Cash and Cash equivalents		541,345		326,902
Cash and Cash equivalents as at 01.04.2004		2,159,737		1,832,835
Cash and Cash equivalents as at 31.03.2005		<b>2,701,082</b>		<b>2,159,737</b>

As per our report of even date attached

For **G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057**Ashok Kumar Ajmera**  
MANAGING DIRECTOR**S.B. Limaye**  
DIRECTOR**Narayan Atal**  
DIRECTOR**Rajendra Bakiwala**  
DIRECTORMumbai  
18<sup>th</sup> July, 2005**Ajay Ajmera**  
DIRECTOR**Ankit Ajmera**  
DIRECTOR

## AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT

We have examined the attached Cash Flow Statement of Ajcon Global Services Limited for the year ended 31st March 2005. The statement has been prepared by the company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 18th July 2005 to the members of the Company.

For **G.N. SHANBHAG & CO.**  
Chartered Accountants**G.N. Shanbhag**  
(Proprietor)  
Membership No. 32057Mumbai  
18<sup>th</sup> July, 2005



**STATEMENT IN ACCORDANCE WITH PROVISIONS OF SECTION 212 OF THE COMPANIES ACT, 1956**

Name of Subsidiary	Ajcon Finance Ltd.	
1. Financial year of the Subsidiary ended on		31.03.2005
2. Date from which it became subsidiary		18.01.1995
3. Extent of the interest of the Company in the Subsidiary at the end of the Financial year of each		
a) Face value	Rs.	10.00
b) Number of shares held by : Ajcon Global Services Ltd. (Holding Co.) With its nominees in the subsidiary at the end Of 31.03.2005	No.	17,75,000 equity shares of Rs. 10/- each fully paid up
c) Shareholding percent : Ajcon Global Services Ltd. (Holding Co.) At the end of 31.03.2005	%	88.75%
4. a) Net aggregate amount of profits less losses so far as they concern members of the Company and not dealt with, in the Company's account		
i) For the financial year ended 31.03.2005	Rs.	15013.00
ii) For the previous years since it became a subsidiary	Rs.	(9,85,077)
b) Net aggregate amount of profits less losses so far as they concern members of the Company and dealt with, in the Company's account		
i) For the Financial Year ended 31.03.2005	Rs.	Nil
ii) For the previous years since it became a subsidiary	Rs.	Nil

As per our report of even date

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**AUDITORS REPORT**

To  
THE MEMBERS OF AJCON GLOBAL SERVICES LTD

We have audited the attached Consolidated Balance Sheet of AJCON GLOBAL SERVICES LTD , it's Subsidiary as at 31<sup>st</sup> March 2005 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement 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 statement presentation. We believe that our audit provides the reasonable basis for our opinion.

We report that the consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statements of AJCON GLOBAL SERVICES LIMITED and it's Subsidiary included in Consolidated Financial Statements.

***Attention is drawn to the following –***

- i) The company has not provided for the deferred tax liability.***
- ii) Had the impact of item No. (i) been considered the profit for the period would have notionaly decreased by Rs.8.15 Lacs***

Subject to above, in our opinion and to the best of our information and explanation given to us, and on the consideration of the separate audit reports on individual audited financial statements of AJCON GLOBAL SERVICES LIMITED, it's subsidiary read together with significant accounting policies

- (i) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company, it's subsidiary as at 31<sup>st</sup> March 2005,
- (ii) The Consolidated the Profit & Loss Account gives a true and fare view of the consolidated results of operations of AJCON GLOBAL SERVICES LIMITED, it's Subsidiary for the year ended on that date, and
- (iii) The Consolidated Cash Flow Statement gives a true and fair view of the cash flows of AJCON GLOBAL SERVICES LIMITED, it's Subsidiary for the year ended on that date.

**For G.N. SHANBHAG & CO.**  
**Chartered Accountants**

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

**Mumbai**  
**18<sup>th</sup> July, 2005**

**BALANCE SHEET AS ON 31ST MARCH 2005**

LIABILITIES	Schedule	2004-2005 Rs.	2003-2004 Rs.
<b>Sources of Funds</b>			
<b>Shareholders Funds</b>			
Share Capital	A	54,512,000	54,512,000
<b>Minority Interest</b>	B	2,140,868	-
<b>Borrowed Funds</b>			
Secured Loans	C	6,000,000	-
Unsecured Loans	D	10,800,000	12,407,523
		<b><u>73,452,868</u></b>	<b><u>66,919,523</u></b>
<b>ASSETS</b>			
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	E	17,604,667	7,432,115
Less: Depreciation		<u>4,819,570</u>	<u>3,985,710</u>
Net Block		12,785,097	3,446,405
<b>Investment</b>		-	-
<b>Current Assets &amp; Loans and Advances</b>			
Inventories	F	23,998,643	23,666,758
Sundry Debtors	G	11,240,046	13,054,599
Cash & Bank	H	2,733,210	2,175,869
Loans & Advances	I	<u>28,334,461</u>	<u>28,335,285</u>
		66,306,360	67,232,511
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	J	6,136,527	7,880,091
Provision for Taxation		<u>347,000</u>	<u>25,000</u>
		6,483,527	7,905,091
<b>Net Current Assets</b>		59,822,833	59,327,420
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	K	15,065	172,518
<b>Profit and Loss Account (Dr.)</b>		829,873	3,973,180
		<b><u>73,452,868</u></b>	<b><u>66,919,523</u></b>
Notes forming the part of accounts	Q		

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2005**

PARTICULARS	Schedule	2004-2005 Rs.	2003-2004 Rs.
<b>INCOME</b>			
Income from Operations	L	8,739,572	6,087,688
Other Income	M	1,690,694	147,123
Profit from ShareTrading (Net)	N	310,073	925,168
		<u>10,740,339</u>	<u>7,159,979</u>
<b>EXPENDITURE</b>			
Administrative and Operative Expenses	O	5,555,703	4,301,730
Financial Expenses	P	837,148	1,076,205
Depreciation		833,860	701,343
Preliminary and Pre-Operative Expenses Written off		157,453	356,721
		<u>7,384,164</u>	<u>6,435,999</u>
<b>Profit Before Tax</b>		3,356,175	723,980
Provision for Tax		322,000	25,000
<b>Profit After Tax</b>		<u>3,034,175</u>	<u>698,980</u>
<b>Add: Balance brought forward</b>		(3,973,180)	(4,672,160)
<b>Add : Minority Interest Apportioned</b>		109,132	-
<b>Balance carried forward to Balance sheet</b>		<u>(829,873)</u>	<u>(3,973,180)</u>
<b>Earning Per Share - Basic &amp; Diluted</b>		0.63	0.15
Notes forming the part of accounts	Q		

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

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**Narayan Atal**  
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**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**SCHEDULES 'A' TO 'Q' ANNEXED TO AND FORMING PART OF CONSOLIDATED  
ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2005**

PARTICULARS	<u>2004-2005</u> Rs.	<u>2003-2004</u> Rs.
<b>Schedule A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
48,50,000 (48,50,000) Equity Shares of Rs.10 each		
65,000 (65,000) Preference Shares of Rs. 100 each		
<b>Issued, Subscribed &amp; Paid up</b>		
48,01,200 (48,01,200) Equity Shares of Rs.10/- each fully paid up ( out of this 2,90,250 Equity Shares were allotted as fully paid up by way of bonus shares by capitalisation of General Reserve)	48,012,000	48,012,000
65,000 (65,000) Preference Shares of Rs. 100 each fully paid up	<u>6,500,000</u>	<u>6,500,000</u>
	<u>54,512,000</u>	<u>54,512,000</u>
<b>Schedule B</b>		
<b>MINORITY INTEREST</b>		
Face Value of Shares held by the Minority	2,250,000	-
Less : Appropriation of Loss	<u>109,132</u>	<u>-</u>
	<u>2,140,868</u>	<u>-</u>
<b>Schedule C</b>		
<b>SECURED LOANS</b>		
Loan From Bank	<u>6,000,000</u>	<u>-</u>
	<u>6,000,000</u>	<u>-</u>
<b>Schedule D</b>		
<b>UNSECURED LOANS</b>		
From Bank	4,700,000	6,507,523
Intercorporate	2,400,000	2,400,000
Security/Margin Deposits	<u>3,700,000</u>	<u>3,500,000</u>
	<u>10,800,000</u>	<u>12,407,523</u>

**SCHEDULE E**

**FIXED ASSETS**

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2004 Rs.	Addition in 2004-2005 Rs.	Deduction in 2004-2005 Rs.	As at 31.3.2005 Rs.	As at 1.4.2004 Rs.	Deductions Rs.	for the year Rs.	As at 31.3.2005 Rs.	As at 31.3.2005 Rs.	As at 31.3.2004 Rs.
OFFICE PREMISES	-	6,159,857	-	6,159,857	-	-	5,777	5,777	6,154,080	-
FURNITURE	372,324	1,735,000	-	2,107,324	277,111	-	30,489	307,600	1,799,724	95,213
COMPUTERS	3,365,763	1,441,450	-	4,807,213	2,743,290	-	659,539	3,402,829	1,404,384	622,473
MOTOR VEHICLES	716,466	-	-	716,466	494,279	-	68,064	562,343	154,123	222,187
AIR CONDITIONER	145,813	264,000	-	409,813	68,085	-	10,558	78,643	331,170	77,728
ELECTRICAL INSTALLATIONS	433,753	474,690	-	908,443	183,597	-	32,969	216,566	691,877	250,156
OFFICE EQUIPMENTS	386,996	97,555	-	484,551	219,348	-	26,464	245,812	238,739	167,648
REGISTRATION FEES	350,000	-	-	350,000	-	-	-	-	350,000	350,000
STOC EXCHANGE CARD	1,661,000	-	-	1,661,000	-	-	-	-	1,661,000	1,661,000
	<u>7,432,115</u>	<u>10,172,552</u>	<u>-</u>	<u>17,604,667</u>	<u>3,985,710</u>	<u>-</u>	<u>833,860</u>	<u>4,819,570</u>	<u>12,785,097</u>	<u>3,446,405</u>
PREVIOUS YEAR	7,432,115	-	-	7,432,115	3,284,367	-	701,343	3,985,710	3,446,405	4,147,748



**AJCON GLOBAL SERVICES LIMITED  
(CONSOLIDATED)**



PARTICULARS	2004-2005 Rs.	2003-2004 Rs.
<b>Schedule F</b>		
<b>INVENTORIES (At Cost)</b>		
Stock of Shares and Securities	23,998,643	23,666,758
	<u>23,998,643</u>	<u>23,666,758</u>
<b>Schedule G</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding Six months	2,664,592	2,776,937
Others	8,575,454	10,277,662
	<u>11,240,046</u>	<u>13,054,599</u>
<b>Schedule H</b>		
<b>CASH &amp; BANK BALANCE</b>		
Cash In Hand	186,302	44,361
Balance with Scheduled Banks		
- in Current Account	827,473	465,598
- in Fixed Deposit Account	1,719,435	1,665,910
	<u>2,733,210</u>	<u>2,175,869</u>
<b>Schedule I</b>		
<b>LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received	16,143,716	16,146,548
Advance to staff	517,245	480,237
Deposits	11,673,500	11,708,500
	<u>28,334,461</u>	<u>28,335,285</u>
<b>Schedule J</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for trade and others	4,336,527	6,880,091
Advances from constituents	1,800,000	1,000,000
	<u>6,136,527</u>	<u>7,880,091</u>
<b>Schedule K</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Share Issue Expenses	151,291	462,901
Preliminary Expenses	21,227	66,338
	<u>172,518</u>	<u>529,239</u>
Less : Written off during the year	157,453	356,721
	<u>15,065</u>	<u>172,518</u>
<b>Schedule L</b>		
<b>INCOME FROM OPERATIONS</b>		
Income from Consultancy and Advisory Services	4,160,337	2,471,065
Income from Stock Market Operations	3,763,957	3,141,764
Commission and Conducting Fees	165,000	195,600
Interest & Service Charges	650,278	279,259
	<u>8,739,572</u>	<u>6,087,688</u>
<b>Schedule M</b>		
<b>OTHER INCOME</b>		
Interest	94,128	132,607
Miscellaneous Income	21,566	14,516
Profit on Sale of Investments	1,575,000	-
	<u>1,690,694</u>	<u>147,123</u>

**AJCON GLOBAL SERVICES LIMITED  
(CONSOLIDATED)**



PARTICULARS	2004-2005 Rs.	2003-2004 Rs.
<b>Schedule N</b>		
<b>PROFIT FROM SHARE TRADING (Net)</b>		
Sale of Shares and Securities	223,421,341	247,372,058
Closing Stock of Shares and Securities	<u>23,998,643</u>	<u>23,666,758</u>
Total (A)	247,419,984	271,038,816
Opening Stock of Shares and Securities	23,666,758	22,323,871
Purchase of Shares and Securities	<u>223,443,153</u>	<u>247,789,777</u>
Total (B)	<u>247,109,911</u>	<u>270,113,648</u>
(A-B)	<u>310,073</u>	<u>925,168</u>
<b>Schedule O</b>		
<b>ADMINISTRATIVE AND OPERATIVE EXPENSES</b>		
Office Rent	192,000	187,500
Insurance Premium	80,500	75,089
Salaries and Retainership Fees	2,155,561	1,217,820
Staff Welfare	330,220	247,687
Postage, Courier and Telephone	313,765	275,568
Electricity Charges & expenses	240,631	225,698
Printing & Stationery	180,706	161,967
Advertising & Business Promotion	181,600	136,511
Repairs & Maintainance	259,865	507,851
Travelling & Conveyance	515,680	351,705
Membership & Subscription	205,350	188,500
Auditors' Remuneration	25,842	21,450
Legal & Professional Fees	211,200	181,200
Commission, Discount and Rebate	84,200	94,137
Sundry Expenses	317,453	294,484
Transaction Charges	<u>261,130</u>	<u>134,563</u>
	<u>5,555,703</u>	<u>4,301,730</u>
<b>Schedule P</b>		
<b>FINANCIAL EXPENSES</b>		
Interest and Delayed Payment charges	769,602	1,018,699
Bank Charges and Commission	<u>67,546</u>	<u>57,506</u>
	<u>837,148</u>	<u>1,076,205</u>

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**Schedule Q**

**Notes to Consolidated Accounts for the year ended 31<sup>st</sup> March 2005**

**1. Basis of Presentation of Consolidated Financial Statements**

- (i) The Financial Statements of the Subsidiary used in the consolidation is drawn upto same reporting date as that of parent Company, i.e year ended 31<sup>st</sup> March, 2005.
- (ii) The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

**2. Principles of Consolidation**

- (i) The financial statements of the parent company and it's subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting therefrom.
- (ii) The financial statements of the parent Company and it's subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- (iii) The AJCON FIANANCE LIMITED was incorporated as 100% subsidiary of the AJCON GLOBAL SERVICES LIMITED. The Entire share capital of the subsidiary was acquired at it's face value. The same is reflected as investment at cost in the separate financial statement of the holding company AJCON GLOBAL SERVICES LIMITED.

3. The Company has disclosed only such Policies and Notes from the individual financial statements, which fairly presents needed disclosures. Lack of homogeneity and other similar considerations it desirable to exclude some of them, which in the opinion of the management could be better viewed, when referred from the individual financial statements.

4. In terms of AS 21 financial statement present the consolidated accounts of AJCON GLOBAL SERVICES LIMITED. With it's following subsidiary.

Subsidiary	Country of Incorporation	2004-2005 Proportion of Ownership Interest %	2003-2004 Proportion of Ownership Interest %
Ajcon Finance Limited.	India	88.75	100.00

5. On 31<sup>st</sup> March, 2005 the Ajcon Global Services has sold 11.25% of it's total shareholding in AJCON FIANCNE LIMITED of Face Value Rs.12,50,000/- for Rs.38,25,000/- making profit of Rs.15,75,000/-, which has been recognized in the profit and loss account.

**6. Provision for Taxation**

- Current Tax

Provision for current year taxation has been done as per the prevailing tax laws.

- Deferred Tax

There is timing difference in the income tax liability due to different rate of depreciation allowed as per Income Tax Act, 1961 and rate of depreciation applied in books of accounts as per Companies Act, 1956 . This results into deferred tax liability of Rs.8,15,067/- in the case of AJCON GLOBAL SERVICES LIMITED. But in the perception of the management, due to uncertainty of the sufficient future taxable income against which such depreciation can be absorbed, the company has not provided for deferred tax liability during the year.

7. Prior year figures have been reclassified where necessary to confirm with the current year's presentation.

8. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements.

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2005**

	2004-2005		2003-2004	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flows from Operating Activities</b>				
Net Profit before Tax		3,356,175		723,980
<b>Adjustments for:</b>				
Depreciation	833,860		701,343	
Preliminary exps w/off	157,453		356,721	
Interest and finance charges (net)	837,148	1,828,461	924,393	1,982,457
<b>Operating profit (loss) before working capital changes</b>		<u>5,184,636</u>		<u>2,706,437</u>
<b>Adjustments for:</b>				
Trade and other receivables	1,815,377		3,993,420	
Inventories	(331,885)		(1,342,887)	
Current Liabilities	(1,743,564)	(260,072)	(70,747)	2,579,786
<b>Cash generation from operations</b>		<u>4,924,564</u>		<u>5,286,223</u>
Interest and Finance charges paid (net)		(837,148)		(924,393)
Tax paid				(75,000)
<b>Net Cash Flow from Operating Activities</b>		<u>4,087,416</u>		<u>4,286,830</u>
<b>B. Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	(10,172,552)		-	
Sale of Fixed Assets	-		-	
Sale of Investments	2,250,000		-	
<b>Net Cash from Investing activities</b>		<u>(7,922,552)</u>		<u>-</u>
<b>C. Cash Flows from Financing Activities</b>				
Secured Loans	6,000,000			
Unsecured Loans	(1,607,523)		(3,973,088)	
<b>Net Cash from Financing activities</b>		<u>4,392,477</u>		<u>(3,973,088)</u>
Net increase in Cash and Cash equivalents		557,341		313,742
Cash and Cash equivalents as at 01.04.2004		2,175,869		1,862,126
Cash and Cash equivalents as at 31.03.2005		<u>2,733,210</u>		<u>2,175,868</u>

As per our report of even date attached

**For G. N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N.SHANBHAG**  
PROPRIETOR  
M. No. 32057

**Ashok Kumar Ajmera**  
MANAGING DIRECTOR

**S.B. Limaye**  
DIRECTOR

**Narayan Atal**  
DIRECTOR

**Rajendra Bakiwala**  
DIRECTOR

Mumbai  
18<sup>th</sup> July, 2005

**Ajay Ajmera**  
DIRECTOR

**Ankit Ajmera**  
DIRECTOR

**AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT**

We have examined the attached Consolidated Cash Flow Statement of Ajcon Global Services Limited for the year ended 31st March 2005. The statement has been prepared by the company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Consolidated Profit and Loss Account and Consolidated Balance Sheet of the Company covered by our report of 18th July 2005 to the members of the Company.

For **G.N. SHANBHAG & CO.**  
Chartered Accountants

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

Mumbai  
18<sup>th</sup> July, 2005

# AJCON FINANCE LIMITED

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



## DIRECTORS' REPORT

To  
The Members

Your directors have great pleasure in presenting the Eleventh Annual Report and the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2005.

### ***Financial Results:***

	<b>Year ended 31.03.05 (Rs.)</b>	<b>Year ended 31.03.04 (Rs.)</b>
Income from Operations and Other Income	7,27,279	4,75,853
Profit before Financial Overheads & Depreciation	87,583	98,402
Less: Financial overheads	10,980	19,205
Less: Depreciation	59,590	59,590
Profit before tax	17,013	19,607
Less: Provision for Tax	2,000	Nil
Profit after Tax	15,013	19,607
Add: Surplus/(Deficit) brought forward	(9,85,077)	(10,04,684)
Profit/(Loss) carried to Balance Sheet	(9,70,064)	(9,85,077)

### ***Operations:***

The operations of the Company for the year under review have resulted in the gross profit of Rs. 87,583/- against Rs. 98,402/- in the previous period. After providing for interest, depreciation and taxes, the company has earned a net profit of Rs. 15,013/- as against the profit of Rs. 19,607/- in the previous year.

### ***Dividend:***

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

### ***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.

### ***Insurance:***

All the properties of the company are adequately insured.

### ***Management Discussion and Analysis Report:***

#### ***Future Outlook***

The operations of the company, Ajcon Finance Limited remained normal during the year. However, the Company is carrying out comprehensive business restructuring exercise. Under this program Ajcon Finance Limited has applied for membership of Multi Commodity Exchange (MCX) for commodity broking and consequent upon the same the name of company is also being changed to Ajcon Commodity Brokers Ltd.

#### ***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:

- 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 31<sup>st</sup> March, 2005 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.

***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.

***Acknowledgements***

Your Directors wish to place on record their thanks and gratitude to Bankers, clients 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 hope that they would continue their dedicated efforts in the future also.

**For and on behalf of the Board**

**(Ashok Kumar Ajmera)**  
**Chairman**

**Mumbai**  
**18<sup>th</sup> July, 2005**

**AUDITORS' REPORT**

To

THE MEMBERS OF AJCON FINANCE LIMITED

We have audited the attached Balance Sheet of AJCON FINANCE LTD as at 31<sup>st</sup> March 2005 and also the Profit and Loss Account and Cash Flow Statement 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.

1. 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 the reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government 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.
3. Further to our comments in the Annexure referred to in Paragraph 2 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 Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by 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 to the extent applicable to the Company;
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2005 and taken on records by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March 2005 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;
  - f) 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:
    - (i) In the case of Balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2005,
    - (ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date, and
    - (iii) 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*

**Mumbai**  
**18<sup>th</sup> July, 2005**

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

**ANNEXURE TO AUDITORS' REPORT**

(Referred to in Paragraph (2) of our report of even date)

1.
  - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, physical verification of a major portion of fixed assets as at 31<sup>st</sup> March, 2005 was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) During the year, the Company has not disposed off any Fixed Assets and therefore the going concern status of the Company is not affected.
2. In respect of inventories,
  - a. Companies inventory is comprising of only the shares and securities. The Management during the year has physically verified these stocks which were not in dematerialised form and the rest were verified through demat statements of depositories. In our opinion the frequency of such verification was reasonable.

- b. The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book record.
3. In respect of loans, secured or unsecured, granted or taken by the company to and from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.  
The Company has taken interest free loan of Rs.40.00 Lacs from it's holding company. There are no stipulations as regards repayment of the said loan amount and hence the question of overdue amount does not arise.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of equipments and other assets and with regards to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. To the best of our knowledge and belief and according to the information and explanations given to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed, maintenance of cost records under section 209(1) (d) of the Companies Act 1956.
9. According to the records the Company was not required to pay any provided fund amount. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, and cess were outstanding as at 31<sup>st</sup> March,2005 for a period of more than six months from the date they become payable.
10. The Company has accumulated losses but the same are less than 50% of the net worth and the company has not incurred any cash losses during the financial year covered by our audit and also not incurred cash loss in the immediately preceding financial year.
11. According to the information and explanation given to us by the management, the company does not have any loan from Banks and Financial Institutions.
12. Based on our examination of the records and the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is dealing and trading in shares, securities, debentures and other investments and has maintained proper records of the transactions and contracts and timely entries are made therein. All the shares, securities, debentures and other securities have been held by the company in its own name except to the extent of exemption granted under Section 49 of the Act.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by other from bank or financial institutions.
16. According to the information and explanations given to us, the company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment, and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures.
20. The Company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For G.N. SHANBHAG & CO.**  
**Chartered Accountants**

**Mumbai**  
**18<sup>th</sup> July, 2005**

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



**BALANCE SHEET AS ON 31ST MARCH 2005**

LIABILITIES	Schedule	2004-2005 Rs.	2003-2004 Rs.
<b>Sources of Funds</b>			
<b>Shareholders Funds</b>			
Share Capital	A	20,000,000	20,000,000
<b>Borrowed Funds</b>			
Unsecured Loans	B	4,000,000	4,000,000
		<u>24,000,000</u>	<u>24,000,000</u>
<b>ASSETS</b>			
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
	C		
Gross Block		398,564	398,564
Less: Depreciation		185,699	126,109
Net Block		212,865	272,455
<b>Current Assets &amp; Loans and Advances</b>			
Inventories	D	11,460,635	11,474,510
Sundry Debtors	E	148,458	22,578
Cash & Bank	F	32,128	16,131
Loans & Advances	G	11,251,272	11,251,272
		22,892,493	22,764,491
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	H	90,487	43,251
<b>Net Current Assets</b>		22,802,006	22,721,240
<b>Miscellaneous Expenditure</b>	I	15,065	21,227
(to the extent not written off or adjusted)			
<b>Profit and Loss Account (Dr.)</b>		970,064	985,077
		<u>24,000,000</u>	<u>24,000,000</u>
Notes forming the part of accounts	N		

As per our report of even date attached

**FOR G.N. SHANBHAG & CO.**  
*CHARTERED ACCOUNTANTS*

**(Ashok Ajmera)**  
 DIRECTOR

**G.N. SHANBHAG**  
*PROPRIETOR*  
 M. No. 32057

**(Ankit Ajmera)**  
 DIRECTOR

Mumbai  
 18.07.2005

**(Anuj Ajmera)**  
 DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2005**

PARTICULARS	Schedule	2004-2005 Rs.	2003-2004 Rs.
<b>INCOME</b>			
Income from Operations	J	650,278	279,259
Profit on Share Trading	K	77,001	196,594
		<u>727,279</u>	<u>475,853</u>
<b>EXPENDITURE</b>			
Administrative and Operative Expenses	L	633,534	371,289
Financial Expenses	M	10,980	19,205
Depreciation		59,590	59,590
Preliminary Expenses Written off		6,162	6,162
		<u>710,266</u>	<u>456,246</u>
<b>Profit Before Tax</b>		<u>17,013</u>	<u>19,607</u>
Provision for Tax		2,000	-
<b>Profit After Tax</b>		<u>15,013</u>	<u>19,607</u>
<b>Add: Balance brought forward</b>		(985,077)	(1,004,684)
<b>Balance carried forward to Balance sheet</b>		<u>(970,064)</u>	<u>(985,077)</u>
Earning Per Share - Basic & Diluted		0.01	0.01
Notes forming the part of accounts	N		

As per our report of even date attached

**FOR G.N. SHANBHAG & CO.**  
*CHARTERED ACCOUNTANTS*

**(Ashok Ajmera)**  
 DIRECTOR

**G.N. SHANBHAG**  
*PROPRIETOR*  
 M. No. 32057

**(Ankit Ajmera)**  
 DIRECTOR

Mumbai  
 18.07.2005

**(Anuj Ajmera)**  
 DIRECTOR



**SCHEDULES 'A' TO 'N' ANNEXED TO AND FORMING PART OF ACCOUNTS  
FOR THE PERIOD ENDED 31ST MARCH 2005**

PARTICULARS	2004-2005 Rs.	2003-2004 Rs.								
<b>Schedule A</b>										
<b>SHARE CAPITAL</b>										
<b>Authorised</b> 20,00,000 (20,00,000) Equity Shares of Rs.10 each	<u>20,000,000</u>	<u>20,000,000</u>								
	<u>20,000,000</u>	<u>20,000,000</u>								
<b>Issued, Subscribed &amp; Paid up</b> 20,00,000 (20,00,000) Equity Shares of Rs.10 each fully paid.	<u>20,000,000</u>	<u>20,000,000</u>								
	<u>20,000,000</u>	<u>20,000,000</u>								
<b>Schedule B</b>										
<b>UNSECURED LOANS</b>										
From Holding Company	<u>4,000,000</u>	<u>4,000,000</u>								
	<u>4,000,000</u>	<u>4,000,000</u>								
<b>SCHEDULE C</b>										
<b>FIXED ASSETS</b>										
ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2004 Rs.	Addition in 2004-2005 Rs.	Deduction in 2004-2005 Rs.	As at 31.3.2005 Rs.	As at 1.4.2004 Rs.	Deductions Rs.	for the year Rs.	As at 31.3.2005 Rs.	As at 31.3.2005 Rs.	As at 31.3.2004 Rs.
COMPUTERS	350,256	-	-	350,256	99,359	-	56,776	156,135	194,121	250,897
FURNITURE	19,300	-	-	19,300	9,677	-	1,222	10,899	8,401	9,623
OFFICE EQUIPMENTS	25,150	-	-	25,150	13,215	-	1,592	14,807	10,343	11,935
ELECTRICAL INSTALLATIONS	3,858	-	-	3,858	3,858	-	-	3,858	-	-
<b>TOTAL</b>	<u>398,564</u>	<u>-</u>	<u>-</u>	<u>398,564</u>	<u>126,109</u>	<u>-</u>	<u>59,590</u>	<u>185,699</u>	<u>212,865</u>	<u>272,455</u>
PREVIOUS YEAR	398,564	-	-	398,564	66,519	-	59,590	126,109	272,455	332,045
<b>Schedule D</b>										
<b>INVENTORIES (At Cost)</b>										
Stock of Shares and Securities								11,460,635	11,474,510	
								<u>11,460,635</u>	<u>11,474,510</u>	
<b>Schedule E</b>										
<b>SUNDRY DEBTORS</b>										
(Unsecured, Considered good)										
Debts outstanding for a period exceeding Six months								-	12,345	
Others								148,458	10,233	
								<u>148,458</u>	<u>22,578</u>	
<b>Schedule F</b>										
<b>CASH &amp; BANK BALANCE</b>										
Cash In Hand								25,508	9,511	
Balance with Scheduled Banks in Current Account								6,620	6,620	
								<u>32,128</u>	<u>16,131</u>	



PARTICULARS	2004-2005	2003-2004
	Rs.	Rs.
<b>Schedule G</b>		
<b>LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received	11,183,835	11,183,835
Advance Tax and TDS	67,437	67,437
	<u>11,251,272</u>	<u>11,251,272</u>
<b>Schedule H</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for trade and others	88,487	43,251
Provision for taxation	2,000	
	<u>90,487</u>	<u>43,251</u>
<b>Schedule I</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Priliminary Expenses	21,227	27,389
Less : Written off during the year	6,162	6,162
	<u>15,065</u>	<u>21,227</u>
<b>Schedule J</b>		
<b>INCOME FROM OPERATIONS</b>		
Interest and Service Charges	650,278	279,259
	<u>650,278</u>	<u>279,259</u>
<b>Schedule K</b>		
<b>PROFIT FROM SHARE TRADING</b>		
Sale of Shares and Securities	2,362,131	2,512,848
Closing Stock of Shares and Securities	11,460,635	11,474,510
	<u>13,822,766</u>	<u>13,987,358</u>
	Total (A)	
Opening Stock of Shares and Securities	11,474,510	9,137,885
Purchase of Shares and Securities	2,271,255	4,652,879
	<u>13,745,765</u>	<u>13,790,764</u>
	Total (B)	
	(A-B)	
	<u>77,001</u>	<u>196,594</u>
<b>Schedule L</b>		
<b>ADMINISTRATIVE AND OPERATIVE EXPENSES</b>		
Salaries	327,961	152,500
Staff Welfare	67,657	35,237
Postage, Courier and Telegram	22,278	14,532
Printing & Stationery	19,506	13,321
Travelling & Conveyance	88,285	42,393
Computer Expenses	21,680	41,537
Auditors' Remuneration	2,700	2,700
Legal & Professional Fees	28,000	28,000
Sundry Expenses	36,580	24,536
Telephone Expenses	18,887	16,533
	<u>633,534</u>	<u>371,289</u>
<b>Schedule M</b>		
<b>FINANCIAL EXPENSES</b>		
Interest and Delayed Payment charges	10,638	19,018
Bank Charges and Commission	342	187
	<u>10,980</u>	<u>19,205</u>

As per our report of even date attached

**FOR G.N. SHANBHAG & CO.**  
CHARTERED ACCOUNTANTS

**G.N. SHANBHAG**  
PROPRIETOR  
M. No. 32057

Mumbai  
18.07.2005

**(Ashok Ajmera)**  
DIRECTOR

**(Ankit Ajmera)**  
DIRECTOR

**(Anuj Ajmera)**  
DIRECTOR

## Schedule N

### Notes to Accounts for the year ended 31<sup>st</sup> March 2005

#### 1. Significant Accounting Policies

##### a) **Method of Accounting:**

The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis. Financial Statements are prepared on historical cost basis and as a going concern.

##### b) **Fixed Assets:**

Fixed assets are stated at cost of acquisition less depreciation.

##### c) **Depreciation:**

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

##### a. **Inventories:**

Inventories of stocks and securities are stated at cost without considering increase or erosion in value thereof.

##### b. **Revenue Recognition:**

- i. Revenue is recognized where there is reasonable certainty of its ultimate realization.
- ii. Dividend income has been accounted on receipt basis.
- iii. Income other than above is accounted on accrual basis.

##### d) **Amortization of preliminary expenses:**

Preliminary expenses are amortized over a period of ten years against Profit and Loss account.

2. In the perception of the management, sufficient future taxable income will not be available against which a deferred tax asset can be realized and therefore, this is not considered in terms of paragraph 17 of SAS 22 viz. *Accounting for Taxes on Income* issued by ICAI.
3. In the opinion of the Board of Directors, the current assets, loans and advances are of the value as stated, if realized in the ordinary course of the business, except to the extent of the erosion in the value of stock which is undeterminable, due to non availability of market quotations in most of cases.
4. Unsecured Loans include Rs. 40,00,000/- (Rs. 40,00,000/-) due to Holding company.
5. **Related Party Disclosures:**

##### a) Relationships:

##### i. **Where control exists**

Ajcon Global Services Limited (Holding Company)  
 Ajcon Consultants Private Limited  
 Ajcon Communications Private Limited  
 Ajcon IT.com Limited  
 Surge Impex Private Limited.  
 Jagati Estate Developers Pvt. Ltd.  
 A. Ajmera & Associates

##### ii. **Key Management Personnel**

Mr. Ashok Kumar Ajmera	Director
Mr. Ankit Ajmera	Director
Mr. Anuj Ajmera	Director

- b) Disclosure of transactions between the group and related parties and the status of outstanding balance as at 31.03.2005

Particulars	Enterprises where control exists	Key Management Personnel
Remuneration and Salary paid	Nil	Nil

6. Information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956. (to the extent applicable and as certified by the management)

- a) Quantitative Details: **Shares and Securities**

The Company trades in equity shares, which involves purchase and sale of equity shares. Such trades are settled with actual delivery of the shares or without the delivery of the shares. Considering the volume of the transactions and variety of scripts, traded at various different prices, it is not practical and meaningful to compile the quantitative details of the shares and securities. Hence, the quantitative details are not given.

- b) CIF value of imports, Expenditure & Earning in foreign exchange. **NIL**
- c) Break up of Imported & Indigenous materials and components concerned. **NIL**
- d) Previous years figures are mentioned in bracket.

7. Previous year's figures are regrouped, reclassified or rearranged wherever necessary in order to bring them in conformity with the current year's fluctuations.

As per our report of even date attached

**FOR G.N. SHANBHAG & CO.**  
*CHARTERED ACCOUNTANTS*

**(Ashok Ajmera)**  
 DIRECTOR

**G.N. SHANBHAG**  
*PROPRIETOR*  
 M. No. 32057

**(Ankit Ajmera)**  
 DIRECTOR

Mumbai  
 18.07.2005

**(Anuj Ajmera)**  
 DIRECTOR

*(INFORMATION PURSUANT TO PART IV OF SCHEDULE VI)***Balance Sheet abstract and a company profile****A. Registration Details**

<i>Registration No.</i>	:	80780
<i>Balance Sheet Date</i>	:	31.03.2005

**B. Capital raised during the year (Amount in Rs.Thousand)**

<i>Public Issue</i>	:	Nil	<i>Right Issue</i>	:	Nil
<i>Bonus Issue</i>	:	Nil	<i>Private Placement</i>	:	Nil

**C. Position of Mobilisation and Deployment of funds**

<i>Total Liabilities</i>	:	24,000	<i>Total Assets</i>	:	24,000
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**Sources of funds**

<i>Paid up capital</i>	:	20,000
<i>Reserves and Surplus</i>	:	Nil
<i>Secured Loans</i>	:	Nil
<i>Unsecured Loans</i>	:	4,000

**Application of funds**

<i>Net Fixed Assets</i>	:	213
<i>Investments</i>	:	Nil
<i>Net Current Assets</i>	:	22,802
<i>Misc. Expenditure</i>	:	15
<i>P &amp; L A/c (Dr.)</i>	:	970

**D. Performance of Company**

<i>Turnover</i>	:	727	<i>Total Expenditure</i>	:	710
<i>Profit before tax</i>	:	17	<i>Profit after tax</i>	:	15
<i>Earning per share (Rs.)</i>	:	0.01	<i>Dividend</i>	:	Nil

**E. Generic names of three principal products/ services of the company**

<i>Product Description</i>	:	N.A.	<i>Item code No.</i>	:	N.A.
			<i>(ITC Code)</i>		

As per our report of even date attached

**FOR G.N. SHANBHAG & CO.**  
 CHARTERED ACCOUNTANTS

**(Ashok Ajmera)**  
 DIRECTOR

**G.N. SHANBHAG**  
 PROPRIETOR  
 M. No. 32057

**(Ankit Ajmera)**  
 DIRECTOR

Mumbai  
 18.07.2005

**(Anuj Ajmera)**  
 DIRECTOR

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2005

	2004-2005		2003-2004	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flows from Operating Activities</b>				
Net Profit before Tax and extra ordinary items		17,013		19,607
<b>Adjustments for:</b>				
Depreciation	59,590		59,590	
Preliminary exps w/off	6,162	65,752	6,162	65,752
<b>Operating profit (loss) before working capital changes</b>		82,765		85,359
<b>Adjustments for:</b>				
Trade and other receivables	(125,880)		2,247,967	
Inventories	13,876		(2,336,625)	
Current Liabilities	45,236	(66,768)	(9,861)	(98,519)
<b>Cash generation from operations</b>		15,997		(13,160)
Tax paid		-		-
<b>Net Cash Flow from Operating Activities</b>		15,997		(13,160)
<b>B. Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets				-
Sale of Investments	-		-	
<b>Net Cash from Investing activities</b>		-		-
<b>C. Cash Flows from Financing Activities</b>				
<b>Net Cash from Financing activities</b>		-		-
Net increase in Cash and Cash equivalents		15,997		(13,160)
Cash and Cash equivalents as at 01.04.2004		16,131		29,291
Cash and Cash equivalents as at 31.03.2005		32,128		16,131

As per our report of even date attached

**FOR G.N. SHANBHAG & CO.**  
 CHARTERED ACCOUNTANTS

**(Ashok Ajmera)**  
 DIRECTOR

**G.N. SHANBHAG**  
 PROPRIETOR  
 M. No. 32057

**(Ankit Ajmera)**  
 DIRECTOR

Mumbai  
 18.07.2005

**(Anuj Ajmera)**  
 DIRECTOR



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## AJCON'S GLOBAL SERVICES



Corporate Advisory Services



Corporate Finance Services



Corporate Debt Restructuring



Private Equity Placement



Mergers and Amalgamations



Acquisitions and Disinvestments



Capital Market Services (Member N.S.E.)



Securitisation Services



ECB Financing



Strategic Partnerships / Alliance



Joint Ventures and B.P.O.



Business Process Re-engineering



Corporate Image Building



Training and HRD Services



A financial power house with a motto  
**"Either find a way OR make a new one."**  
(Mr. Ashok Kumar Ajmera - Chairman)



## AJCON GLOBAL SERVICES LIMITED

101, Samar th, It. P.N. Kohnis Road, Opp. Laxmi Clinic, Off. Hinduja Hospital, Mahim (West), Mumbai 400 016.

Tel : 022 2446 0335 / 36 / 40 Fax : 022 2446 0339 Email : [ajcon@ajcon.net](mailto:ajcon@ajcon.net) Website : [www.ajcon.net](http://www.ajcon.net)

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# **AJCON GLOBAL SERVICES LIMITED**

(Formerly known as Ajcon Capital Markets Limited)

**WITH THE RIGHT COMPNAY THERE IS ONLY ONE DIRECTION TO GO,  
THAT IS**



**UP**

**18<sup>th</sup> ANNUAL REPORT  
2004-2005**

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## **AJCON GLOBAL SERVICES LIMITED**

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



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### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

Ashok Kumar Ajmera – *Chairman and Managing Director*  
Shashikant B. Limaye - Director  
Narayan Atal - Director  
Rajendra Bakiwala - Director  
Ajay Ajmera - Director  
Ankit Ajmera –Director

#### **AUDITORS**

G.N.SHANBHAG & CO.  
*Chartered Accountants*  
Mumbai

#### **COMPANY SECRETARY**

Mr. S. M. Jain

#### **BANKERS**

Canara Bank  
Corporation Bank  
Andhra Bank

#### **REGISTERED AND CORPORATE OFFICE**

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

#### **WEB SITE**

[www.ajcon.net](http://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 – 28473747/ 28473474/ 28470652/53  
Fax : 91-22-28475207  
Email : [bigshare@bom7.vsnl.net.in](mailto:bigshare@bom7.vsnl.net.in)

#### **DEMAT ISIN NO.**

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# AJCON GLOBAL SERVICES LIMITED

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

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## PROXY FORM

Reg. Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member(s) of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Thursday 8th September 2005 and if any adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2005.

Signature



Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

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# AJCON GLOBAL SERVICES LIMITED

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

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## ATTENDANCE SLIP

Reg. Folio No. \_\_\_\_\_

I certify that I am a registered Shareholder/Proxy for the registered Share holder of the company. I hereby record my presence at the Eighteenth General Meeting of the Company held at Regd. Off. : 101, Samarth, Lt. P.N., Kotnis Road, Opp. Laxmi Clinic, Off. Hinduja Hospital, Mahim (West), Mumbai 400 016. On Thursday 8th September, 2005 at 10.00 a.m.

\_\_\_\_\_  
I Member's/Proxy's name in Block Letters

\_\_\_\_\_  
(Member's/Proxy's Signature)