



DJS STOCK AND SHARES LIMITED

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FOURTEENTH ANNUAL REPORT

2007 - 2008

14, ARTS COLLEGE ROAD, COIMBATORE – 641 018.
TAMIL NADU, INDIA.



DJS Stock and Shares Limited

Board of Directors

Shri Prakash D Shah

Managing Director

Shri K. Annamalai

Whole-time Director

Shri Shohesh P Shah

Whole-time Director

Shri Jayantilal P. Shah

Shri Bhagawati Prasad

Shri Amit P Bhansali

Shri Ajay M. Gupta

Auditors

P. Mahendran B.Sc FCA

Chartered Accountant,

Coimbatore - 18

Bankers

AXIS Bank Ltd.

Oriental Bank of Commerce Ltd.

Head Office

8/B, Shirin Sohrab Palace,
Nariman Road, Vile Parle (E),
Mumbai - 400 057

Regd. Office

14, Arts College Road,
Coimbatore - 641 018

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Notice to Share Holders

Notice is hereby given that the **Fourteenth Annual General Meeting** of the Shareholders of the Company will be held on Tuesday, the 30th day of September 2008 at 4.30 P.M. at the registered Office of the Company at 14, Arts College Road, Coimbatore 641 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31-03-2008 with Schedules, the Profit and Loss Account for the year ended on that date together with schedules, the Reports of the Directors and Auditor's thereon.
2. To appoint a Director in place of Shri Ajay Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Jayantilal P. Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. P. Mahendran, Chartered Accountants, be and are hereby re-appointed as Auditor of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board."

The present retiring auditor, Mr. P. Mahendran, Chartered Accountants have expressed his willingness to continue in office. Certificate has been obtained from them that re-appointment, if made, will be in accordance with the limits specified in sub section (1B) of Section 224 of the Companies Act, 1956.

SPECIAL BUSINESS:

5. Appointment of Dr. Devendra C. Shah as Director

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

"RESOLVED THAT Dr. Devendra C. Shah, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 84(a) & 91 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect to whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."



6. Re-appointment of Shri Shohesh Prakash Shah as Whole-time Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with provision of Sections 198, 269 and 309 and 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby given to the reappointment of Shri Shohesh Prakash Shah as Whole-time Director of the Company for a period of 3 years with effect from 29-09-2008, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/ or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps which are proper and expedient to give effect to this Resolution.”

7. Enhancement of Remuneration of Shri Prakash Shah , Managing director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with provision of Sections 198, 309 and 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby given to the increment of payment of remuneration from Rs.30,000/- per month to Rs.50,000/- per month to Shri Prakash D. Shah , as Managing Director of the Company with effect from 01-04-2008, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/ or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps which are proper and expedient to give effect to this Resolution.”

By order of the Board
For **DJS Stock and Shares Limited**



Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED.
2. A proxy to be valid should be duly filed in and affixed with requisite stamp and lodged with the Company's Registered Office at least 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Registers of the Company will remain closed from 29-09-2008 to 30-09-2008(both days inclusive).
4. Members are requested to notify change of address, if any, promptly in order to serve them better.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
7. Brief resume of the Directors proposed to be re-appointed as per Serial Numbers 2 & 3 are enclosed as Annexure A to this Notice as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

Appointment of Dr. Devendra C. Shah as Director

In terms of Section 260 of the Companies Act, 1956 and Article 84(a) & 91 of the Articles of Association of the Company, the Board of Directors at its meeting held on 5th March, 2008, appointed Dr. Devendra C. Shah as Additional Director. Dr. Devendra C. Shah holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Dr. Devendra C. Shah for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

Your Directors, therefore recommend the resolution for your approval.

Except Dr. Devendra C. Shah, no other Director is, in any way, concerned or interested in this Resolution

Item No. 6

Re-appointment of Shri Shohesh Prakash Shah as Whole-time Director

Shri Shohesh Prakash Shah has been the Whole-time Director of the Company since 29-09-2005. The term of office of Shri Shohesh Prakash Shah as Whole-time Director will expire on 29-09-2008.

The present proposal is to seek the members' approval for the reappointment of and remuneration payable to Shri Shohesh Prakash Shah as Whole-time Director, in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st March 2008 has, subject to the approval of Members, re-appointed Shri Shohesh Prakash Shah for a further period of 3 years from the expiry of his respective term, on the remuneration determined by the Remuneration Committee of the Board at its meeting held on 05.03.2008.



Broad particulars of the terms of re-appointment of and remuneration payable to Shri Shohesh Prakash Shah is as under:

- I.
 - a. **Salary** : Rs.50000/- per month (Rupees Fifty Thousand only). This will include dearness allowance and all other allowances.
 - b. **Perquisites**: In addition to the above salary, the Whole Time Director is entitled for the following perquisites:
 - Expenditure for medical treatment incurred for self, wife and dependent children not exceeding one months' salary per annum or 3 months' salary over a period of 3 years.
 - Leave travel concession for self, wife and dependent children once in a year in accordance with the rules of the Company.
 - Fees of clubs of choice, however not exceeding 2 clubs, over and above admission fees payable.
 - Personal accident insurance premium not exceeding Rs.1, 00,000/- per annum.
 - Company's contribution to Provident Fund as per rules of the Company and as laid down under the Income Tax Rules 1962.
 - Contribution to superannuation fund/annuity as per rules of the Company.
 - Gratuity as per of the rules of the Company, but not exceeding half a months' salary for each completed year of service.
 - Encashment of leave at the end of the tenure as per the rules of the Company.
 - Any other perquisites as may be allowed by the Board of Directors of the Company within the permissible limits.

The above is subject to the fact that the aggregate of the salary, commission, and perquisites payable shall not exceed the prescribed ceiling limits of the net profits of the company calculated in accordance with Section 198 and Section 309 of the Companies Act, 1956.
- II
 - a. The Whole time Director shall be entitled to reimbursement of all actual expenses including on entertainment and traveling incurred in the course of the Company's business.
 - b. The Company shall provide a car with driver and telephone facility at the residence of the Whole time Director. Provision of car with driver for use in connection with the Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Whole time Director.
- III

In case the Company has no profits or its profits are inadequate in any financial year during the currency of the tenure of Shri Shohesh Prakash Shah as Whole-time Director of the Company, he shall be entitled to receive remuneration as above subject to the minimum remuneration specified in para 1(A) of Section II of part II of schedule XIII of the Companies Act, 1956 as amended from time to time provided that the following perquisites shall not be included in the computation of remuneration.

 - Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - Gratuity at a rate not exceeding half a month's salary for each completed year of service and
 - Encashment of leave at the end of the tenure of office.
- IV

The appointment may be terminated by either side at any time by giving 3 month's notice in writing provided that in case termination is desired by the Company, payment of 3 month's salary in lieu of notice will be taken as sufficient.

Except Shri Shohesh P. Shah, no other Director is, in any way, concerned or interested in this Resolution.



Item No. 7

7. Revised Remuneration of Shri Prakash Shah , Managing director

The present proposal is to seek the members' approval for the increment of remuneration payable to Shri Prakash D. Shah Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st March 2008 has, subject to the approval of Members, enhanced the remuneration of Prakash D. Shah, on the remuneration determined by the Remuneration Committee of the Board at its meeting held on 05.03.2008.

Broad particulars of the enhancement of remuneration payable to Shri Prakash D. Shah is as under:

- I a. **Salary** : Rs.50,000/- per month (Rupees Fifty Thousand only). This will include dearness allowance and all other allowances.
- b. **Perquisites** : In addition to the above salary, the Whole Time Director is entitled for the following perquisites:
 - Expenditure for medical treatment incurred for self, wife and dependent children not exceeding one months 'salary per annum or 3 months' salary over a period of 3 years.
 - Leave travel concession for self, wife and dependent children once in a year in accordance with the rules of the Company.
 - Fees of clubs of choice, however not exceeding 2 clubs, over and above admission fees payable.
 - Personal accident insurance premium not exceeding Rs.1, 00,000/- per annum.
 - Company's contribution to Provident Fund as per rules of the Company and as laid down under the Income Tax Rules 1962.
 - Contribution to superannuation fund/annuity as per rules of the Company.
 - Gratuity as per of the rules of the Company, but not exceeding half a months' salary for each completed year of service.
 - Encashment of leave at the end of the tenure as per the rules of the Company.
 - Any other perquisites as may be allowed by the Board of Directors of the Company within the permissible limits.

The above is subject to the fact that the aggregate of the salary, commission, and perquisites payable shall not exceed the prescribed ceiling limits of the net profits of the company calculated in accordance with Section 198 and Section 309 of the Companies Act, 1956.

- II a. The Managing Director shall be entitled to reimbursement of all actual expenses including one entertainment and traveling incurred in the course of the Company's business.
- b. The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car with driver for use in connection with the Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and the Company to the Managing Director shall bill use of car for private purposes. To be deleted, as MD re-appointment is not be considered in this meeting.

- III In case the Company has no profits or its profits are inadequate in any financial year during the currency of the tenure of Shri Prakash D. Shah as Managing Director of the Company, he shall be entitled to receive remuneration as above subject to the minimum remuneration specified in para



1(A) of Section II of part II of schedule XIII of the Companies Act, 1956 as amended from time to time provided that the following perquisites shall not be included in the computation of remuneration.

- > Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- > Gratuity at a rate not exceeding half a month's salary for each completed year of service and
- > Encashment of leave at the end of the tenure of office.

Except Shri Shohesh P. Shah, no other Director is, in any way, concerned or interested in this Resolution.

The details of the Directors seeking re-appointment and appointment at the forthcoming Annual General Meeting

[In pursuance of clause 49 of the Listing Agreement]

Name of Director	Mr. Ajay Gupta	Mr. Jayantilal Shah	Dr. Devendra Shah *
Date of Birth	08.12.1957	17.03.1939	23.03.1944
Nationality	Indian	Indian	Indian
Date of Appointment	30.09.2002	30.09.2002	05.03.2008
Qualification	FCA	SSLC	MD.DCH
Shareholding in DJS Stock and Shares Limited	NIL	100 shares	100 shares
Expertise in specific functional area	Share Market	Share Market	Investment
Chairman /Director of other	Director in Padmakant Devidas Securities Ltd	NIL	NIL
Chairman / Member of Committees of the Boards of other Companies of which he is a Director	NIL		NIL NIL

* Additional Director appointed on 05.03.2008.

By order of the Board
For DJS Stock and Shares Limited

Prakash D. Shah
Managing Director

Place: Mumbai
Date : 30.06.2008



Directors' Report

Your Directors hereby present the **Fourteenth Annual Report** together with the Audited Accounts for the Period ended 31st March 2008.

FINANCIAL PERFORMANCE

Particulars	2007-08	2006-07
Income from operations	281.77	61.71
Other Income	384.93	59.14
Total Expenditure before Interest & Depreciation	269.15	127.07
Profit / Loss before Interest and Depreciation	384.61	(6.22)
Finance Charges	12.94	13.82
Depreciation	16.00	14.23
Profit / (Loss)	231.63	(34.27)

ABOUT THE INDUSTRY

The increased liquidity combined with excellent performance of the corporate sector helped growth of equity market significantly. The sensdex touched the peak level of 21,206 points in the month of January 2008. As a result the volume in the market also went up to unprecedented level. The combined daily market turnover touched the record level of Rs.1 lakh crore for the first time in the history of capital market. This is reflected to that extent in the financial results of the company. However, the market witnessed deep corrections in the end of January 2008 as a fall out of the sub-prime crisis and related economic concerns in the United States. Consequently volumes went down below half of the peak and the index corrected by more than 30% from its peak level. The dark clouds caused by global events and its possible impact on the Indian economy continues to cast a shadow on the outlook of the markets in the near future. However, we hope that better performance of the corporate and better days are ahead to come for the company and the investors.

REVIEW OF OPERATIONS

The Company achieved all round record performance during the financial year. This is reflected in the total operating income which increased more than 4.5 times to Rs.281.77 lakhs as compared to the previous financial year. As a result, the Company earned to achieve Profits as compared to the loss incurred in previous financial year. Over the years, your Company had created a good investor base hence your management expects this will continue to yield better prospects to the mutual interest of both the small investors and the company.

The performance of the Company, its business activities has been comprehensively covered in the Management Discussion and Analysis Report.

FUTURE PROSPECTS

In the month of January 08 in the current year, there was a crash in the market. This was sudden and put small investors in temporary set back. From that time onwards the market is very highly volatile and even a small recovery is being nullified by a big drop in the prices. Hence the Directors prefer to approach the future with high caution. Added to the woe of stock market, is the uncertainty in government.

DIRECTORS

No Director of the company is disqualified under section 274(1)(g) of the Companies Act, 1956, from being appointed as director of this company. The Directors Mr. Ajay Gupta and Mr. Jayantilal P. Shah are retiring by rotation and being eligible to offer themselves for re-appointment.

Dr. Devendra C. Shah was appointed as Additional Directors with effect from March 05, 2008. Pursuant to Section 260 of the Companies Act, 1956, his term expires at the forthcoming Annual General Meeting. The Company has received a notice along with the requisite fee from a member in accordance to Section 257 of Companies Act, 1956 proposing the candidature of Dr. Devendra C. Shah as Director of Company. The appointment needs to be confirmed by the members in the General Meeting.



It has been proposed to enhance the remuneration of Mr. Prakash D. Shah, the Managing Director of the Company and re-appoint Mr. Shohesh P. Shah as Whole-time Director for a period of 3 years at a revised remuneration. The Directors recommend their enhancement in remuneration and appointments in the best interest of Company and accordingly necessary resolutions were incorporated in the Notice convening Annual General Meeting.

AUDITORS

Mr. P. Mahendran Auditor of the company retires at the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 read with Reserve Bank of India's directions for acceptance of Deposits by Non-Banking Non-Financial Companies.

STATUTORY INFORMATION

None of the employees of the company are drawing remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956, during the year under report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors in terms of Section 217(2AA) of the Companies Act, 1956 confirm that:

- (i) All applicable accounting standards have been followed in the preparation of the annual accounts.
- (ii) Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as of 31st March 2008 and of the profit of the company for the 12 months period ended that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on going concern basis.

CONSERVATION OF ENERGY; RESEARCH & DEVELOPMENT

The information required under Section 217 (2)(e) is not applicable since it is a share Broking Company.

CASH FLOW STATEMENT AS PER LISTING AGREEMENT

Cash Flow Statement is enclosed.

CORPORATE GOVERNANCE REPORT

Corporate Governance Report is enclosed.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis Report appended hereto.

ACKNOWLEDGEMENT

Your Directors wish to express their full appreciation for the assistance and co-operation extended to us by its bankers, its valued Clients, SEBI, Mutual Funds, The Stock Exchange, Mumbai, National Stock Exchange of India Ltd., and Financial Institutions and all others. Your Directors wish to thank the esteemed shareholders for extending their unstinted co-operation and support in the Management of the Company. The Directors also wish to thank all the employees for their support and co-operation.

By order of the Board
For DJS Stock and Shares Limited

Prakash D. Shah
Managing Director