



DJS STOCK AND SHARES LIMITED

FIFTEENTH ANNUAL REPORT
2008-2009

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 Devendra C. Shah
Shri Siddharth B. Jalan
Shri Ajay M. Gupta

Auditors

P. Mahendran B.Sc FCA
Chartered Accountant
Coimbatore - 641018

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 **Fifteenth Annual General Meeting** of the Shareholders of the Company will be held on Monday, the 17th day of August 2009 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 31-03-2009 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. Prakash D. Shah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. K. Annamalai, 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 Accountant, be and is 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 remuneration to be determined by the Board."

The present retiring auditor, Mr. P. Mahendran, Chartered Accountant, has expressed his willingness to continue in office. Certificate has been obtained from him 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 Shri Siddharth B. Jalan as Director

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

"RESOLVED THAT Shri. Siddharth B. Jalan, 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."

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

Place : Mumbai
Date : 24.06.2009

Prakash D. Shah
Managing Director

**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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
4. The Register of Members and Share Transfer Registers of the Company will remain closed from 14-08-2009 to 17-08-2009 (both days inclusive).
5. Members are requested to notify change of address, if any, promptly in order to serve them better.
6. Members are requested to bring their copies of the Annual Report to the Meeting.
7. Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
8. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write their Folio No. in the attendance slip for attending the meeting.
9. A brief resume of the Directors retiring by rotation and eligible for re-appointment/ recommended for appointment, as required by Clause 49(IV)(G) of the Listing Agreement signed by the Company with the stock exchange, is given in Annexure to this notice.

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:

Appointment of Shri Siddharth B. Jalan 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 30th January, 2009, appointed Shri Siddharth Jalan as Additional Director. Shri Siddharth Jalan 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 Shri Siddharth Jalan 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 Shri Siddharth Jalan, no other Director is, in any way, concerned or interested in this Resolution

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

Place : Mumbai
Date : 24.06.2009

Prakash D. Shah
Managing Director



Brief Resume of Directors seeking re-appointment and Directors recommended for appointment at the forthcoming Annual General Meeting

[In pursuance of clause 49 of the Listing Agreement]

Name of Director	Shri. Prakash Shah	Shri. K.Annamalai	Shri Siddharth Jalan *
Date of Birth	04.06.1949	13.09.1955	14.02.1980
Nationality	Indian	Indian	Indian
Date of Appointment	27.04.1994	27.04.1994	30.01.2009
Qualification	SSLC	M.Com	B.Com
Shareholding in DJS Stock and Shares Limited	27,13,900 shares	2,09,200 shares	2800 shares
Expertise in specific functional area	Share Market	Share Market	Share Market
Chairman /Director of other Companies	Director in 2 Private Ltd co.	Director in 2 Private Ltd co.	No
Chairman / Member of Committees of the Boards of other Companies of which he is a Director	No	No	No

* Additional Director appointed on 30.01.2009.

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

Place: Mumbai
Date : 24.06.2009

Prakash D. Shah
Managing Director



Directors' Report

Your Directors hereby present the **Fifteenth Annual Report** together with the Audited Accounts for the Period ended 31st March 2009.

FINANCIAL PERFORMANCE

		(Rs. in lakhs)	
	Particulars	2008-09	2007-08
	Income from operations	163.50	281.77
	Other Income	113.93	384.93
	Total Expenditure before Interest & Depreciation	242.17	269.15
	Profit /Loss before Interest and Depreciation	35.26	384.61
	Finance Charges	15.49	12.94
	Depreciation	6.62	16.00
	Profit / (Loss)	13.15	231.63

REVIEW OF OPERATIONS

Despite the adverse situation prevailing globally, the Company has earned to achieve profits of 13.15 lakhs in the previous year. There has been fall in the Income from Operations from Rs. 281.77 lakhs in 2007-08 to Rs. 163.50 lakhs in 2008-09. However with the improvement in the financial markets, the Company looks forward to yield better profits.

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

The Indian economy faced significant slowdown in growth momentum in 2008-09, driven by a severe downturn in the global economy on the back of sustained pressure on the global financial system. The Stock market, as a result experienced severe setback with the Sensex falling sharply below 8000 points and Nifty falling below 2600 points. However, with the formation of new government the market has slightly recovered and it is hoped that the market will improve further which shall enable the Company to tap the opportunities, for the growth of the Company and its investors.

DIRECTORS

Shri Prakash Shah and Shri K. Annamalai, Directors retire by rotation at the forthcoming Annual General Meeting and both the Directors being eligible, offer themselves for re-appointment.

Shri Siddharth Jalan was appointed as Additional Director with effect from 30.01.2009. Pursuant to Section 260 of the Companies Act, 1956, his term expires at the ensuing 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 Shri Siddharth Jalan as Director of Company. The appointment needs to be confirmed by the members in the 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 2009 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**

Place : Mumbai
Date : 24.06.2009

Prakash D. Shah
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

DJS Stocks and Shares Limited is mainly a stock broking company which carries on stock broking operations through an extensive network and suitable manpower and trades in shares, both quoted and unquoted. The industry structure, relevant to the company's operations, is mainly concerned with the capital market.

Economy Overview

The Indian economy entered the financial year 2008-09 with a buoyant growth rate. However, the growth momentum was moderated because of the global economic turmoil. Like all emerging economies, India too has been impacted by the crisis. As per the revised estimates for the year 2008-09, the GDP for the year grew at 6.7 per cent as against 9.1 per cent in the previous year. This meltdown had hit the Capital markets severely. However, the fiscal stimulus packages of the Government and monetary easing and regulatory action of the Reserve Bank have helped to arrest the moderation in growth and kept financial markets functioning normally. It is expected that with the measures being adopted by economies in the developed nations and the measures being taken by the Government in India, the slowdown may be arrested and possibly reversed.

Industry Overview

The current situation prevailing in India and the World has its effect on Indian Financial Sector. The markets became vulnerable to the economic downfall. However, with the formation of new government, new developments taking place in Infrastructure and other tertiary sectors and with the government initiating various measures, the markets have started showing improvements.

Review of operations

During the year the Total Income of the Company is Rs. 277.43 lakhs as compared to the previous year figure of Rs 666.70 lakhs (which includes Long Term Capital Gain of Rs. 254.25 lakhs). As a result, the profit has come down to Rs.16.66 lakhs in comparison to the previous year figure of Rs.374.03 lakhs. The Brokerage revenue of the Company also reduced to Rs.163.50 lakhs as compared to Rs. 281.77 lakhs in the previous year. In spite of the recession hitting the market, the company was able to earn reasonable profits. The brokerage revenue continues to be the main source of income of the Company and contributed major revenue during this financial year.

Outlook 2009-10

A significant portion of the Company's income arises from stock broking operations, which are largely dependent on the conditions of the stock market. The stock market activity depends largely upon the economic growth momentum and a combination of several factors like low inflation, growing domestic savings, surging portfolio investments into India, etc. The unusual developments in the global economy indicate heightened uncertainties and new challenges for the emerging market economies like India. However, several policy measures introduced by the Government to reduce the growing rate of inflation, consistently increasing savings and investment rate and achieve expected moderate GDP growth rate compared to other competing emerging markets and healthy corporate earnings which has the potential to attract strong foreign capital flows in the Indian capital market. The management is of the view that the Company will be able to reasonably perform in the context of the given economic environment by continuing its efforts to reach new client segments with its service capability.



Opportunities & Threats

With the significant initiatives taking place to reform the financial sector and improve the GDP growth rate of the country, it is expected that there would be growth in business opportunities for our Company.

The stock broking industry has recently witnessed economic recession, falling brokerage rates etc. Your company continues to achieve cost efficiencies through the application of technology.

Risk and Concerns

The Company's performance is closely linked to the Indian Capital Market and consequently to the risks associated with market operations. The performance of Company may be affected by factors affecting capital markets such as price and volume volatility, interest rates, currency exchange rates, foreign investment, government policy changes, political and economic developments and economic performance abroad.

Internal Control Systems

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. The Audit Committee of the Board reviews the scope of the internal audit on a regular basis.

Cautionary Note

This report describing the Companies activities, projections about future estimates, assumptions with regard to global economic conditions, government policies, etc may contain "forward looking statements" based on the information available with the Company. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by the many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

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

Place : Mumbai
Date : 24.06.2009

Prakash D. Shah
Managing Director