



DJS STOCK AND SHARES LIMITED

**SIXTEENTH ANNUAL REPORT
2009-2010**

**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

CONTENTS

Notice to member	2
Director's Report	5
Management Analysis Report	7
Report on Corporate Governance	9
Auditor's Report	20
Profit & Loss A/c	23
Balance Sheet	24
Schedules	25
Notes forming part of A/c	29
Cash flow statement	30



Notice to Share Holders

Notice is hereby given that the **Sixteenth Annual General Meeting** of the Shareholders of the Company will be held on Thursday, 30th day of September 2010 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 31-03-2010 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. Bhagawati Prasad, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Jayanatilal P. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. P. Mahendran, Chartered Accountant, (Registration No. 29194), the retiring Auditor of the Company be and are hereby re-appointed as Auditor of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be fixed by the Board of Directors."

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.

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

Place : Mumbai
Date : 29.05.2010

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. The Register of Members and Share Transfer Registers of the Company will remain closed from 29-09-2010 to 30-09-2010 (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. 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.
8. 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.

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

Place : Mumbai
Date : 29.05.2010

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 Bhagawati Prasad	Shri Jayantilal P Shah
Date of Birth	18.02.1952	17.03.1939
Nationality	Indian	Indian
Date of Appointment	28.08.1995	30.09.2002
Qualification	B. Com, LL.B	B.Com
Shareholding in DJS Stock and Shares Limited	NIL	NIL
Expertise in specific functional area	Share Broking & Trading	Share Broking & Trading
Chairman /Director of other Companies	1.ANC Consultants Pvt. Ltd 2.ANC Securities Ltd 3.Narayani Finvest Holding P. Ltd	NIL
Chairman / Member of Committees of the Boards of other Companies of which he is a Director	NIL	NIL

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

Place: Mumbai
Date: 29.05.2010

Prakash D. Shah
Managing Director



Directors' Report

Your Directors hereby present the **Sixteenth Annual Report** together with the Audited Accounts for the Period ended 31st March 2010.

FINANCIAL PERFORMANCE

Particulars	(Rs. in lakhs)	
	2009-10	2008-09
Income from operations	110.76	163.50
Other Income	153.74	113.93
Total Expenditure before Interest & Depreciation	252.28	242.17
Profit /Loss before Interest and Depreciation	12.22	35.26
Finance Charges	7.98	15.49
Depreciation	2.22	6.62
Profit / (Loss)	2.02	13.15

DIVIDEND

In order to conserve the resources for long term capital requirements and future requirements, your Directors do not recommend any dividend for the year under review.

REVIEW OF OPERATIONS

The Company could achieve a profit of 2.02 lakhs in the financial year ended 2009-10 despite the adverse and volatile situation prevailing globally. There has been fall in the Income from Operations from Rs. 163.50 lakhs in 2008-09 to Rs. 110.76 lakhs in 2009-10. However with the improvement trend in the financial markets, the Company looks forward to yield better profits.

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

SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS

Mr. Prakash Devidas Shah holding 28,07,100 equity shares of Rs. 10/- each fully paid up, representing 55.80% of the total outstanding equity share capital and forming dominant group of DJS Stock and Shares Limited (hereinafter referred to as "DJS") had executed a Share Purchase Agreement (hereinafter referred to as "SPA") with B.K. Dyeing and Printing Mills Private Limited, Sriman Stocks Managements Private Limited, and Malar Share Shoppe Limited (hereinafter cumulatively referred to as "Acquirers") on 17th March, 2010 to transfer the said 28,07,100 equity shares along with the control and management of DJS Stock and Shares Limited. The Acquirers had also made a public announcement for an open offer dated 23rd March, 2010 for acquiring 10,06,080 Equity shares of Rs. 10/- each i.e. 20% of the paid-up capital of the Company from existing shareholders of the Company under Regulation 10 & 12 and other provisions of Chapter III and in compliance with the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and subsequent amendments thereof for substantial acquisition of shares and change in control. The said open offer was opened on 8th July, 2010 and was closed on 27th July, 2010.

DIRECTORS

Shri. Bhagawati Prasad and Shri. Jayantilal P Shah Directors retire by rotation at the forthcoming Annual General Meeting and both the Directors being eligible, offer themselves for re-appointment.

The details of the re-appointment of the aforesaid Directors together with their nature of expertise in specified functional areas and names of Companies in which they hold office as Director and / or the Chairman / Membership of Committees of Board, are provided in the notice of the ensuing Annual General Meeting.



AUDITORS

Mr. P. Mahendran (Registration No 29194), Statutory Auditor of the Company retire at the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. Members are requested to consider their reappointment as Auditors for the financial year ending 31st March 2011 at remuneration to be decided by your Board of Directors or any Committee thereof.

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.

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 2010 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

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement entered with the Stock exchange, is given as a separate statement in the Annual Report.

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 : 29.05.2010

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 world experienced a deepest global downturn in the recent past. However, economic growth exhibited signs of recovery in the financial year 2009-10. In the early 2010, the global growth momentum was moderated because of the Euro Crisis. However, the Indian markets were not that much affected by such crisis. The Indian economy revived despite the impact of a deficient monsoon on agricultural production. GDP growth for financial year 2009 -10 was 7.2% as compared to 6.7% in the financial year 2008-09.

During the year, the primary market remained highly active in view of steady improving secondary market. The secondary market mirrored the recovery in the global economy and moderating financial risk. RBI too continued the accommodative monetary policy to maintain ample rupee liquidity, comfortable dollar liquidity and ensure flow of credit to productive areas of the economy.

Industry Overview

It is heartening to note that barring a few industries, the global meltdown had little bearing on most of the business sectors in India. Further to this the recovery has helped in improving economic fundamental and sustained policy support. Risk appetite has returned, equity market has improved and capital markets have re-opened.

Review of operations

During the year the Total Income of the Company is Rs.264.50 lakhs as compared to the previous year figure of Rs 277.43 lakhs. As a result, the profit before tax has come down to Rs.2.02 lakhs in comparison to the previous year figure of Rs.16.66 lakhs. Income from Client operations has reduced to Rs. 90.33 lakhs in the financial year 2009-10 as compared to Rs. 111.65 lakhs in the previous year. Income from Trading has reduced to Rs.20.43 lakhs in the financial year 2009-10 as compared to Rs. 51.85 lakhs in the previous year.

Outlook 2010-11

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.

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 : 29.05.2010

Prakash D. Shah
Managing Director