

EIGHTEENTH ANNUAL REPORT 2002-2003



J. M. Share & Stock Brokers Limited

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BOARD OF DIRECTORS

Mr. Nimesh N. Kampani — Chairman

Mr. Arunkumar R. Gandhi

Mr. M. R. Mondkar

Mr. Ashith N. Kampani

REGISTERED OFFICE

141, Maker Chambers - III,
Nariman Point,
Mumbai-400 021.

SOLICITORS

M/s. Udwadia & Udeshi (Regd.),
Mumbai.

BANKERS

HDFC Bank Ltd.
Tulsiani Chambers,
Nariman Point,
Mumbai-400 021.

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Chakala, Andheri (East),
Mumbai - 400 099.

AUDITORS

M/s. Khimji Kunverji & Co.,
Chartered Accountants,
Mumbai.





J. M. Share & Stock Brokers Ltd.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF J. M. SHARE & STOCK BROKERS LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 10, 2003 AT 3.30 P.M. AT KAMALNAYAN BAJAJ HALL, BAJAJ BHAVAN, GROUND FLOOR, NARIMAN POINT, MUMBAI - 400 021 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2003, the Balance Sheet as at that date and the reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. M R Mondkar, who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint the retiring Auditors and authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

5. **"RESOLVED THAT** pursuant clause no. 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subsequent clarifications thereon issued by the Securities Exchange Board of India and subject to such other consents and approvals as may be required, the approval of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from The Delhi Stock Exchange

Association Limited and The Stock Exchange, Ahmedabad."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient in connection with the proposed delisting of equity shares from the above Stock Exchanges."

By order of the Board

NIMESH N KAMPANI
Chairman

Date: June 23, 2003

Registered Office:

141, Maker Chambers III,
Nariman Point,
Mumbai 400 021.

NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. The Register of Members of the Company will remain closed from Wednesday, September 3, 2003 to Wednesday, September 10, 2003 (both days inclusive).
- c. Members while corresponding with the Company or its Registrars & Share Transfer Agents, M/s Sharepro Services are requested to quote their respective Folio Nos./Client IDs.

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ANNEXURE TO NOTICE

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

In respect of Item No. 5

Presently the Company's equity shares are listed on The Stock Exchange, Mumbai (BSE), The Stock Exchange, Ahmedabad (ASE) and The Delhi Stock Exchange Association Limited (DSE). BSE is the regional Stock Exchange for the Company with nationwide trading terminals. It has been observed that the equity shares of the Company are rarely traded at ASE and DSE.

Further, the Company's equity shares are available for settlement in dematerialized form by all investors. With the extensive networking of BSE to other cities including Delhi and Ahmedabad, the investors have access to trading and can deal in the Company's shares across the country. It is therefore felt that the continued listing with ASE and DSE does not provide any significant advantage to the shareholders of the Company and other investors.

In view of the above, the members are requested to consider and approve the proposed delisting of the Company's equity shares from ASE and DSE and pass the necessary resolution for the purpose.

The Board of Directors recommend passing of the Special Resolution proposed at item no.5 of the notice.

None of the Directors of the Company is in any way concerned or interested in the said Special Resolution.

By Order of the Board

NIMESH N KAMPANI
Chairman

Date: June 23, 2003

Registered Office:

141, Maker Chambers III,
Nariman Point,
Mumbai-400 021



J. M. Share & Stock Brokers Ltd.

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Eighteenth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2003.

FINANCIAL HIGHLIGHTS

	For the year ended	
	March 31, 2003	March 31, 2002
	(Rs. in Lacs)	(Rs. in Lacs)
Income	77.93	536.02
Profit before Interest, Depreciation, Diminution in value of Investments and Tax	51.29	511.64
Interest	0.81	64.01
Gross Profit after Interest	50.48	447.63
Depreciation	1.78	1.97
Provision for Diminution in the Value of Investments	45.00	284.76
Profit before Tax	3.70	160.90
Provision for Current Tax	0.30	—
Provision for Deferred Tax	0.24	0.09
Short Provision for tax of earlier years (Net)	0.36	—
Profit after Tax	2.80	160.81
Adjustment for Deferred Tax Assets of earlier years	—	1.53
Balance Profit brought forward from previous year	301.33	240.91
Writeback of excess provision for Dividend of earlier years	1.48	—
Profit available for Appropriation	305.61	403.25

For the year ended
March 31, 2003 **March 31, 2002**
(Rs. in Lacs) **(Rs. in Lacs)**

APPROPRIATIONS

Proposed Dividend (previous year-subject to tax)	112.47	101.92
Dividend Tax	14.41	—
Balance Carried to Balance Sheet	178.73	301.33
	305.61	403.25

DIVIDEND:

Your Directors are pleased to recommend a dividend of 10% (Re.1.00 per share) (Previous year 9% - subject to tax) for the year ended March 31, 2003. The dividend, if declared, by the members at the ensuing Annual General Meeting, will be paid on or after September 15, 2003. The payment of dividend together with tax thereon will absorb Rs.126.88 lacs.

FINANCIAL HIGHLIGHTS:

The Gross Income reported by your Company during the year under review was Rs. 77.93 lacs as against Rs. 536.02 lacs for the previous year. The lower Gross Income can be attributed to the lower dividend income of Rs.5.95 lacs received by your Company as against Rs. 436.77 lacs in the previous year. After accounting for an interest of Rs. 0.81 lacs (Previous Year - Rs. 64.01 lacs) and the depreciation of Rs.1.78 lacs (Previous year - Rs. 1.97 lacs), your Company registered the Profit before tax of Rs.3.70 lacs as against Rs. 160.90 lacs during the previous year. The net profit after tax works out to Rs. 2.80 lacs (Previous Year Rs. 160.81 lacs).

DELISTING OF SHARES

It is proposed to delist your Company's equity shares from The Stock Exchange, Ahmedabad (ASE) and The Delhi Stock Exchange Association Limited (DSE). The Equity Shares of your Company will continue to remain listed on The Stock Exchange, Mumbai (BSE). BSE is the Regional Stock Exchange for your Company with nationwide trading terminals.

The equity shares of your Company will be voluntarily delisted from ASE and DSE in accordance with clause 5.2 of the

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Securities And Exchange Board of India (Delisting of Securities) Guidelines, 2003 subject to the necessary approvals.

FIXED DEPOSITS:

Your Company has not accepted any deposits from shareholders/public during the year under review.

COMPLIANCE CERTIFICATE FROM THE AUDITORS:

Your Company has obtained a certificate from the statutory auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 (VIII) of the listing agreement, which along with the Corporate Governance Report is set out as an annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of your Company confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- they have taken proper and sufficient care 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;
- they have prepared the annual accounts on a going concern basis.

DIRECTORS:

In accordance with Article 130 of the Articles of Association of the Company read with the provisions of the Companies Act, 1956, Mr. M R Mondkar, a director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. Accordingly an ordinary resolution reappointing him as a director of the Company forms part of the Notice convening the ensuing Annual General Meeting.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

The particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 on Conservation of Energy and Technology Absorption are not applicable to your Company. Your Company has neither earned nor spent any amount in foreign exchange during the year under review.

AUDITORS:

The retiring Auditors, namely, M/s Khimji Kunverji & Co, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are seeking their reappointment. Members are requested to consider their reappointment and authorise the Board to fix their remuneration for the year 2003-04.

PARTICULARS OF EMPLOYEES:

The information required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder is not furnished since your Company did not have any employee during the year under review.

ACKNOWLEDGEMENT:

Your Directors thank the shareholders for the confidence reposed in the Company by them and look forward to their continued support.

On Behalf of the Board of Directors

NIMESH N KAMPANI

Chairman

Date: June 23, 2003

Registered Office:

141, Maker Chambers - III,
Nariman Point,
Mumbai 400 021.



J. M. Share & Stock Brokers Ltd.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2002-03

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

In the current scenario, Corporate Governance assumes significant importance in the functioning of any organisation. Corporate Governance is not something which could be legislated. It has to be implemented and practised by each individual person. The Board of Directors of your Company ensures implementation of the effective Corporate Governance by following best practices and standards. Your Company has implemented international best practices and sound governance as means of effective control. It makes concerted efforts to enhance the shareholder value.

II. BOARD OF DIRECTORS

a. Composition of Board:

The Board of your Company comprises of eminent professionals having rich experience in the finance field. The Board functions as a full Board and through Committees constituted to oversee specific areas. As of March 31, 2003, the Board consisted of Mr.Nimesh N Kampani, Mr.Arunkumar R Gandhi, Mr. M R Mondkar and Mr.Ashith N Kampani. Out of the Directors on the Board as above not less than 50% of the Directors are Non-Executive and Independent.

All the above Directors have confirmed that they are not on the Board of any public companies, which have committed default under Section 274(1)(g) of the Companies Act, 1956.

None of the Directors is a member of more than 10 committees or a Chairman of more than 5 such committees.

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors for the year ended March 31, 2003 that may have potential conflict with the interests of your Company at large.

The names of the Directors, their attendance at Board Meetings and the number of other Directorships and Board Committee memberships held by them as at March 31, 2003 are given below:

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Name of Director	Category	No. of Board Meetings attended during the year 2002-03	Whether attended the last AGM held on August 30, 2002	No. of other Directorships		No. of Committees of which Member/Chairman \$	
				Public	Private	Chairman	Member
Mr. Nimesh N Kampani	Non Executive Chairman	5	Yes	10*	7	2	3
Mr. Arunkumar R Gandhi	Independent and Non Executive Director	5	Yes	13	1	3	5
Mr. M R Mondkar	Independent and Non Executive Director	6	Yes	—	2	—	2
Mr. Ashith N Kampani	Independent and Non Executive Director	5	Yes	—	1	—	2

* Includes Foreign Companies

\$ The Committees considered for the purpose of arriving at the numbers are; Audit, Remuneration and Shareholders' Grievance Committees.

b. Board Meetings:

There were six Board Meetings held on the following dates during the financial year 2002-03. The time interval between the two Board Meetings did not exceed four months:

May 30, 2002 August 30, 2002

June 26, 2002 October 23, 2002

July 26, 2002 January 23, 2003

Mr. M R Mondkar retires by rotation at the ensuing General Meeting. He offers himself for reappointment.

Mr. Mondkar holds a Bachelors degree in Science and a degree in law. He has been one of the Non-Executive Directors since 1997. Mr. Mondkar has held various prestigious positions in organisations like ICICI Ltd. and J. M. Financial & Investment Consultancy Services Limited in the past. Mr. Mondkar is the Chairman of the Audit Committee of your Company. He is also on the Board of J. M. Financial & Investment Consultancy Services Private Limited and Mondkar Computers Private Limited.