



DJS Stock and Shares Limited

**Thirteenth Annual Report
2006 - 2007**

DJS Stock and Shares Limited

14, Arts College Road
Coimbatore - 641 018



DJS Stock and Shares Limited

Board of Directors

Sri Prakash D Shah
Managing Director

Sri K. Annamalai
Whole-time Director

Sri Sohesh P Shah
Whole-time Director

Sri Jayantilal P. Shah
Sri Bhagawathi Prasad
Sri Amit P Bhansali
Sri Ajay M. Gupta
Sri Ashwin R. Shah

Auditors

P Mahendran B.Sc FCA
Chartered Accountant
Coimbatore - 18

Bankers

UTI 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 shareholders	02
Director's Report	04
Auditor's Report	13
Profit & Loss A/c	17
Balance Sheet	18
Schedules	19
Notes forming part of A/c	22
Cash flow statement	23



Notice To All Shareholders

Notice is hereby given that the **THIRTEENTH Annual General Meeting** of the Shareholders of the Company will be held on Saturday, the 29th day of September 2007 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:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31-03-2007 with Schedules, the Profit and Loss Account for the year ended on that date with schedules, the Director's Report and the Auditor's Report thereon.
2. To re-elect a Director in place of Sri Bhagawathi Prasad, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
3. To re-elect a Director in place of Sri Amit P. Bhansali, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

Resolved that pursuant to Section 198, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors for their reappointing of and making payment to Sri Prakash D. Shah, as Managing Director of the Company with effect from 16th November, 2006 to 15th November, 2011 @ Rs.30,000/- per month for a period of 5 years with power to reduce or enhance the remuneration depending upon the performance of the Managing Director with the following perquisites.

- | | |
|----------------------------|--|
| 1. Salary | : Rs.30,000 Per Month. |
| 2. Housing | : 60% of the salary over and above 10% payable by the appointee or the excess over and above 10% whichever is lower is payable by the Company. |
| 3. Medical reimbursement | : For self and family subject to a ceiling of one month's salary in a year or three months' over a period of 3 years. |
| 4. Leave Travel concession | : For the appointee and his family once in a year incurred in accordance with any rules specified by the Company. |
| 5. Club Fees | : Fees of Clubs subject to a maximum of two Clubs. This will not include admission and Life membership fees. |
5. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

Resolved that pursuant to Section 198, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors for their increasing the payment of remuneration from Rs.20,000/- per month to Rs.25,000/- per month to Sri Sohesh P Shah, as Whole-time Director of the Company with effect from 1st April, 2007 for the remaining period of his term of Office with power to reduce or enhance the remuneration depending upon the performance of the Whole-time Director.



Annexure to Notice

7. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution.

Resolved that pursuant to Section 269, 198, Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board for their appointing Sri K. Annamalai as Whole-time Director for a period of 5 years with effect from 03-10-2006 without any salary.

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

Place: Mumbai
Date : 30.06.2007

Prakash D. Shah
Managing Director

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT INSTEAD OF HIMSELF TO ATTEND AND VOTE ONE OR MORE PROXY(IES) AND SUCH PROXY(IES) NEED NOT BE A MEMBER. 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 28-09-2007 to 29-09-2007(both days inclusive).
4. Members are requested to notify change of address, if any, promptly in order to serve them better.

Annexure to Notice:

Explanatory Statement pursuant to Section 173(2B) of the Companies Act, 1956 which forms part of the Notice convening the 13th Annual General Meeting.

5. Mr. Prakash D. Shah was re-appointed as Managing Director with effect from 16-11-2006 on a remuneration of Rs.30,000/- per month subject to your approval for a period of 5 years. Your Board commends the resolution for your approval keeping in the good performance of Mr Prakash D. Shah. Mr. Prakash D. Shah and Mr. Sohesh P. Shah may be deemed to be interest in the resolution. No other Director is interested in the resolution.
6. Mr. Sohesh P. Shah was appointed as Whole-time Director with effect from 29-09-2005 for a period of 3 years on a monthly salary of Rs.20,000/-. Considering his performance, your Board enhanced his remuneration to Rs.25,000/- per month with effect from 01-04-2007 for the remaining term of his Office subject to your approval. Your Board commends the resolution for your approval keeping in the good performance of Mr Sohesh P. Shah. Mr. Prakash D. Shah and Mr. Sohesh P. Shah may be deemed to be interest in the resolution. No other Director is interested in the resolution.
7. Sri K. Annamalai has been the Whole-time Director looking after the affairs of the Company at Coimbatore. He was not drawing any salary. Your Board appreciates his gesture and wished to appoint him for a further term of 5 years with effect from 3-10-2006. The Board commend your approval. None of the Director other than Sri K Annamalai is interested in the resolution.

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

Place: Mumbai
Date : 30.06.2007

Prakash D. Shah
Managing Director



Directors' Report

Your Directors hereby present the **THIRTEENTH Annual Report** together with the Audited Accounts for the Period ended 31st March 2007.

FINANCIAL PERFORMANCE

	2006-2007	2005-2006
	(Rs. in lakhs)	
Income from operations	61.71	367.29
Other Income	59.14	68.33
Total Expenditure before Interest & Depreciation	127.07	149.90
Profit /Loss before Interest and Depreciation	(-) 6.22	285.72
Finance Charges	13.82	13.72
Depreciation	14.23	11.33
Profit / (Loss)	(-) 34.27	260.67

ABOUT THE INDUSTRY

The shareholders might have observed that there was unprecedented volatility in the stock market. This is reflected to that extent in the financial results of the company. The investors had been advised not to trade at certain periods. Though there were many Initial Public Offers the uncertainty in the market. We hope that better performance of the corporate and better days are ahead for the company and the investors.

REVIEW OF OPERATIONS

The company's performance is reflected in the income. Over the years our 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.

FUTURE PROSPECTS

In the month of May 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, 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. Bhagwati Prasad and Mr. Amit P. Bhansali are retiring by rotation and being eligible to offer themselves for re-appointment. Mr. Prakash D. Shah is re-appointed as Managing Director and Mr.K.Annamalal has been re-appointed as Whole-time Director. The remuneration of Mr.Sohesh P. Shah is enhanced. Necessary proposals are made to the members for their approval.

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 2007 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.

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 : 30.06.2007

Prakash D. Shah
Managing Director



MANAGEMENT ANALYSIS

Your Company is not in speculative trade and investors' friendly and hence market risk is eliminated. The volatile movements in the stock market are natural and your Company had to cope with the situation. This they wish to achieve by prudent and frugal deployment of available funds to minimize loss and risk in the market.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreements entered with the Stock Exchanges)

The statutory requirement of Corporate Governance envisages transparency, full disclosure and independent monitoring of the state of affairs and being fair to the Share Holders. Our Philosophy is to

- To utilise all resources optimally so that the profit is well established and the company is producing quality services of international standard.
- To have a well knit family of employees, the company being its head, to take care of their well being.
- By setting-up centers in remote corners of the country to give opportunity to all walk of life the benefit of share market.
- To support small and medium investors by conducting training of the capital market and its fruitfulness and vagaries so that they make well informed investment decisions.
- To execute orders of the purchasers or sellers in time maintaining highest standards of making payment to them.

POSITION OF BOARD OF DIRECTORS

Sl. No.	Name of the Directors	Position	Other Directorships
1.	Sri. Prakash D. Shah	Managing Director - Promoter	2
2.	Sri. Jayantilal P. Shah	Director - Promoter	-
3.	Sri. Bhagawathi Prasad	Non-Executive Director - Independent	1
4.	Sri. K. Annamalai	Whole-time Director - Promoter	1
5.	Sri. Sohesh P. Shah	Whole-time Director	2
6.	Sri. Amit P. Bhansali	Director - Independent	1
7.	Sri. Ajay M. Gupta	Non-Executive Director - Independent	-
8.	Sri. Ashwin R. Shah	Non-Executive Director - Independent	-

BOARD MEETINGS AND ATTENDANCE

Seventeen Board meetings were held on 01.04.2006, 15.05.2006, 06.06.2006, 30.06.2006, 01.07.2006, 31.07.2006, 31.08.2006, 30.09.2006, 28.10.2006, 31.10.2006, 18.11.2006, 16.12.2006, 28.12.2006, 30.12.2006, 31.01.2007, 27.02.2007 and 10.03.2007.

Details of attendance of each Director at the meeting of the Board and General Meeting during the financial year ended March 31, 2007.

Sl. No.	Directors	Date of Board Meeting									
		01.04.06	15.05.06	06.06.06	30.06.06	01.07.06	31.07.06	31.08.06	30.09.06	28.10.06	31.10.06
1.	Sri Prakash D. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Sri Jayantilal P. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Sri Bhagawathi Prasad	No	No	No	Yes	No	No	No	No	Yes	Yes
4.	Sri K. Annamalai	No	No	No	Yes	Yes	No	No	No	No	Yes
5.	Sri Sohesh P. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
6.	Sri Amit P. Bhansali	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7.	Sri Ajay M. Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Sri Ashwin R. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Sl. No	Directors	Board Meeting						
		18.11.06	16-12-06	28.12.06	30-12-06	31-01-07	27-02-07	10.03.07
1.	Sri. Prakash D. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Sri. Jayantilal P. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Sri. Bhagawathi Prasad	No	No	Yes	No	Yes	Yes	Yes
4.	Sri. K. Annamalai	No	No	Yes	No	Yes	Yes	Yes
5.	Sri. Sohesh P. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Sri. Amit P. Bhansali	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7.	Sri. Ajay M. Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Sri. Ashwin R. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Director

Last Annual General Meeting attended (30.09.2006)

1.	Sri Prakash D. Shah,	No
2.	Sri Jayantilal P. Shah,	No
3.	Sri Bhagawathi Prasad	No
4.	Si K. Annamalai	Yes
5.	Sri Sohesh P. Shah	No
6.	Sri Amit P. Bhansali	No
7.	Sri Ajay M. Gupta	No
8.	Sri Ashwin R. Shah	No

Details of attendance of each Director at the meeting of various Committees of the Board held during the financial year ended March 31, 2007.

Director	Audit Sub Committee Attendance	Investors' Grievance and Share Transfer Committee
Sri Bagawathi Prasad	4	K. Annamalai
Sri Ajay M. Gupta	4	12
Sri Ashwin R Shah	4	

APPOINTMENT OF DIRECTORS

Disclosure required under Clause 49 of the Listing agreement in respect of Directors seeking appointment/reappointment at the THIRTEENTH Annual General Meeting.

Name of the Directors	Bhagawathi Prasad	Amit P Bansali	Prakash D. Shah	K. Annamalai
Date of Birth and Age	55	43	59	52
Date of appointment	30-09-2002	29-09-2007	27-04-1994	27-04-1994
Expertise in specific functional areas	Share market	Share market.	Share market.	Share market.
Qualification	B.Sc. LLB	C.A	SSLC	B.Com.
Directorships in other companies	1	1	2	1
Committee/Executive positions held in other Companies	Nil	Nil		



SHARE TRANSFER SYSTEM-

Applications for share transfer held in electronic and physical form and are received both at the Registered Office of the Company and if the documents are found to be in order the transfer work is completed and the transfer endorsed share certificates or defective documents as the case may be, are returned within a period of 30 days from the date of receipt.

To consider share transfers a single man committee meets regularly depending on the transfers received so that the same can be duly transferred and dispatched as per listing agreement.

DISTRIBUTION OF SHARE HOLDING (As on 31.03.2007)

Range		No. of shareholders	% to no. of share holders	No of shares	% to no. of shares
From	To				
1	100	1294	55.75	129400	2.57
101	500	724	31.19	215400	4.28
501	1000	166	7.15	136400	2.71
1001	5000	115	4.95	278100	5.53
5001	100000	17	0.73	462800	9.20
100001	1000000	3	0.13	1128400	22.43
Above	1000000	2	0.09	2679900	53.27
Total		2321	100	5030400	100

CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2006 TO 31.03.2007

A. Cash flow from Operating Activities :-

Enclosed

B. Cash flow from investing Activities :-

RELATED PARTY TRANSACTION

The Company it self as well Managing Director, Whole time Directors are members of Stock Exchanges and as such they have transacted in Shares between themselves and the company regularly.

The remuneration paid to the Directors have been disclosed in schedule "M "

DEPOSITORY SYSTEM

DEMATERIALISATION OF SHARES

Shares in the Company can be held and traded in electronic form and SEBI has made it compulsory for the Company to deliver in dematerialization form only. So far 42,86,600 shares have been dematerialized.



SHAREHOLDING PATTERN AS ON 31.03.2007

Category	% of shareholding
Directors and Associates	76.98
Other Body Corporate.	7.46
Nationalised Banks/Mutual Funds.	Nil
Public.	15.56
Total	100.00

MEANS OF COMMUNICATION

The quarterly/half-yearly/annual financial results of the company are announced within the stipulated period and are normally published in English and Tamil Newspapers.

STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES

There was no instance of non-compliance of any matter related to the capital markets during the last 5 years.

SHAREHOLDER'S INFORMATION ANNUAL GENERAL MEETING

Day and Date : 29th September, 2007

Time : 4.30 p.m.

Venue : Registered Office, 14, Arts College Road, Coimbatore-641 018.

Book Closures : 28.09.2007 to 29.09.2007 (Both Days Inclusive)

FINANCIAL CALENDAR

Results announced : 30-06-2007

Posting of Annual Report : On or before 04-09-2007

Last date for receipt of proxy forms : On or Before 04-30 P.M. on 27.09.2007.

Announcement of Quarterly results : During last week of July, October, 2006 and January 2007.

Book Closure : 28.09.2007 to 29.09.2007 (Both Days Inclusive).

SHARE PRICE MOVEMENT (BSE SENSEX)

Month 2006	Highest Rate (Rs.)	Date	Lowest Rate(Rs.)	Date
April	10.50	07.04.2006	10.00	12.04.2006
May	10.10	02.05.2006	10.10	02.05.2006
June	10.00	29.06.2006	9.65	26.06.2006
July	9.75	12.07.2006	9.60	04.07.2006
August	9.50	02.08.2006	9.50	02.08.2006
September	9.50	01.09.2006	9.50	01.09.2006
October	9.50	10.10.2006	9.50	10.10.2006
November	—	—	—	—
December	9.97	14.12.2006	9.00	20.12.2006



2007

January	9.10	05.01.2007	8.00	25.01.2007
February	8.82	06.02.2007	8.00	15.02.2007
March	9.71	08.03.2007	9.25	01.03.2007

SHARE DETAILS

The Company's Equity Shares are listed on the following Stock Exchanges:

Coimbatore Stock Exchange Limited;

"Stock Exchange Building", 683-686, Trichy Road, Singanallur, Coimbatore-641 005.

Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Stock Code 511636

DEPOSITORY SYSTEM

The company has entered into an agreement with Central Depository Service (India) Limited (CDSL) for dematerialisation of the Company's shares. Members now have the option to hold their shares in demat form (i.e. electronic mode) through the CDSL. Holding of shares in demat form is only optional and it is not compulsory. Members who wish to hold shares in physical form (i.e. in the form of share Certificates) may continue to hold Share Certificates. From 30.11.2001, our shares are traded in compulsory dematerialised form. Members who wish to sell their shares, can sell them in dematerialised form. Members who wish to opt to hold shares in physical form, may sell their shares in limited physical market. Over 85% of the company's Shares have been dematerialised.

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN allotted to our company is INE234E01019

TRANSFER AGENTS

The Company itself is acting as a Transfer Agent.



ADDRESS FOR CORRESPONDENCE

Registration of POA, Status Change, Transmission, Consolidation, Split and other queries may directly be sent to the following address:

Sri. K. Annamalai
Whole-time Director
DJS Stock and Shares Limited
14, Arts College Road.
Coimbatore-641 018
Phone : 0422 - 2211487
Fax : 0422 - 2218479
e-mail : djscbe@hotmail.com & djscbe@yahoo.com

**On behalf of the Board of Directors
For DJS Stock and Shares Limited**

Place: Mumbai
Date : 30.06.2007

Prakash D. Shah
Managing Director



CERTIFICATE

To the Members of DJS Stock and Shares Limited

I have examined the compliance of conditions of Corporate Governance by DJS Stock and Shares Limited for the year ended 31st March, 2007 as stipulated in the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementations thereof adopted by the Company for ensuring compliance with the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

I state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investors' Grievance Committee.

I 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.

Mumbai
30-06-2007

P. Mahendran
Chartered Accountant



Auditors' Report

TO THE MEMBERS OF DJS STOCK AND SHARES LIMITED

1. I have audited the attached balance sheet of DJS STOCK AND SHARES LIMITED, as at 31st March 2007, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I 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. I believe that my audit provides a responsible basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the Annexure referred to above, I report that:
 - (i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - (ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In my opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2007 and taken on record by the Board of Directors, I report that none of the directors are disqualified as on 31st March 2007 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts 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:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2007;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

30.06.2007
Mumbai

P. Mahendran B.Sc.,FCA
Chartered Accountant



Annexure to the Auditor's Report Dated 30.06.2007

(Referred to in paragraph 3 of our report of even date)

1. (i) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) The fixed assets have been physically verified by the management at reasonable intervals as per a regular program of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
During the year, the company has not disposed off any substantial part of its fixed assets, affecting the going concern status of the company
 2. (i) The inventory has been physically verified during the year by the management at reasonable intervals. In my opinion, the frequency of verification is reasonable.
(ii) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(iii) On the basis of my examination of the records of inventory, I am of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
 3. (i) The company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
(ii) The company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956
 4. In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of my audit, no major weaknesses have been noticed in the internal control system and there is no continuing failure to correct major weaknesses in internal control system.
 5. Based on the audit procedures applied by me and according to the information and explanations provided by the management, I am of the opinion that the particulars of contracts or arrangements referred to in Sec.301 of the Act have been entered in the register required to be maintained under that section.
 6. Based on my audit procedures and according to the information and explanations given to me the company has not accepted any deposits from public and hence complying with the provisions of Sec.58A and Sec.58AA or any other relevant provisions of the Act, is not applicable.
 7. In my opinion, the company has an internal audit system commensurate with its size and nature of its business.
-



-
8. The Central Government has not prescribed maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956 to this company.
 9. (i) According to the records of the company, the company is regular in depositing the undisputed statutory dues including income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. The company is not required to transfer any amount to the investor education and protection fund.
(ii) According to the information and explanations given to me, there are no undisputed arrears of statutory dues as at 31.03.07 which are outstanding for a period of more than six months from the date they became payable.
(iii) According to the information and explanation given to me, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
 10. The company has no accumulated losses and has incurred cash losses to the tune of Rs 14.27 Lakhs during the financial year covered by my audit and has not incurred any cash loss during the immediately preceding financial year.
 11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that the company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.
 12. Based on my examination of documents and records I am of the opinion that 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. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that the provisions of any special statute applicable to chit fund are not applicable to this company and the company is not a nidhi /mutual benefit fund/ society and hence compliance with the requirements of the order in this regard are not applicable to this company.
 14. The company is dealing in shares, securities, debentures and other investments, and proper records have been maintained of the transaction and contracts and timely entries have been made therein also the shares securities have been held by the company, in its own name.
 15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
 16. The Company has not obtained any term loans.
 17. According to the information and explanations given to me and on an over all examination of the balance sheet of the company, I report that the no funds raised on short term basis, have been used for long term investment.
-



-
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.
 19. According to the information and explanations furnished to me and based on the records verified by me, the period covered by my audit report, the company has not issued any debentures and hence creation of securities for the same is not applicable.
 20. According to the information and explanation furnished to me and based on the records verified by me, the company has not raised any money through public issues during the period covered under audit and hence disclosure by the management on the end usage of money raised by public issues and my verification of the same is not applicable.
 21. Based upon the audit procedures performed and information and explanations given by the management, I report that no fraud on or by the company has not noticed or reported during the year.

Mumbai
30-06-2007

P. Mahendran
Chartered Accountant



Profit and Loss Account for the year ended 31.03.2007

INCOME	Schedule	31.03.2007	31.03.2006
Income from operations	G	61,70,562	3,67,29,477
Dividend and other Income	H	59,14,273	68,32,858
		<u>1,20,84,835</u>	<u>4,35,62,335</u>
EXPENDITURE			
Administrative Exp.	I	1,02,49,037	1,14,67,163
Stock Exch. Exp	J	16,91,507	21,85,458
Bank Charges & Interest	K	13,82,239	13,71,739
Licence fees and Taxes	L	1,62,024	2,89,809
Audit Fee		26,019	19,285
Depreciation		14,23,034	11,32,812
		<u>1,49,33,860</u>	<u>1,64,66,266</u>
NET PROFIT		(-)28,49,025	2,70,96,069
Add: Balance-B/F.		5,27,28,222	3,52,87,535
Total		4,98,79,197	6,23,83,604
Add : Deferred Tax Asset		50,638	2,34,274
Less : Appropriation			
Donations		5,05,952	10,28,502
Provision for Taxes		-	88,00,000
Income tax of earlier years		72,888	61,154
Total		<u>5,78,840</u>	<u>98,89,656</u>
Balance carried down to Balance Sheet		<u>4,93,50,995</u>	<u>5,27,28,222</u>
Basic earnings per share		-	5.39
Diluted earnings per share		-	5.39

The Schedules referred to above form is an integral part of the Profit and loss A/c
As per my report even dated

(Sd/-) Sri. Prakash Devidas Shah
Managing Director

(Sd/-) P.Mahendran, FCA
Chartered Accountant

(Sd/-) Sri. Soresh P Shah
Whole Time Director

30.06.2007.
Mumbai.



Balance Sheet as on 31.03.2007

	SCHEDULES	31.03.2007 Rs.	31.03.2006 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS	A	5,03,04,000	5,03,04,000
RESERVES AND SURPLUS	B	4,94,99,691	5,29,27,556
TOTAL		9,98,03,691	10,32,31,556
APPLICATION OF FUNDS			
	SCHEDULES	31.03.2007	31.03.2006
FIXED ASSETS	C	29,66,725	1,30,52,199
INVESTMENTS	D	2,81,83,828	1,31,83,828
CURRENT ASSETS	E	13,77,82,096	16,57,24,555
Less: CURRENT LIABILITIES & PROVISIONS	F	6,91,28,958	8,87,29,026
		6,86,53,138	7,69,95,529
TOTAL		9,98,03,691	10,32,31,556

Notes to the accounts and significant accounting policies

M

The Schedules referred to above form an integral part of the Profit and loss A/c and Balance Sheet

As per my report even dated

(Sd/-) P.Mahendran, FCA
Chartered Accountant

30.06.2007
Mumbai.

(Sd/-) Sri. Prakash Devidas Shah
Managing Director

(Sd/-) Sri. Soresh P Shah
Whole Time Director



SCHEDULES ANNEXED TO THE ACCOUNTS

31.03.2006
Rs.

31.03.2007
Rs.

SCHEDULE A

SHARE CAPITAL

Authorised

10,00,00,000 1,00,00,000 Equity shares of Rs.10 each 100,000,000

Issued, Subscribed and fully paidup

5,03,04,000 50,30,400 Equity Shares of Rs.10 each 5,03,04,000

5,03,04,000 **Total** 5,03,04,000

SCHEDULE B :

RESERVES AND SURPLUS

5,27,28,222 Profit And loss a/c 4,93,50,995
1,99,334 Net deferred Tax Liability 1,48,696

5,29,27,556 **Total** 4,94,99,691

Schedule C: Fixed Assets

Sl. No.	Name of the Assets	Cost as on 01.04.2006	Addition	Deletion	Total Cost as on 31.03.2007	Depreciation				W.D.V as on 31.03.2007	W.D.V as on 31.03.2006
						upto 31.03.2006	for the year	with drawn	upto 31.03.2007		
		1	2	3	4	5	6	7	8	9	10
1.	Stock Exc.Mem.Card	1,02,00,000		0	1,02,00,000	0	0	0	0.00	2,00,000	1,02,00,000
2.	Office Equipments	76,23,426	9,84,891	0	86,08,317	57,93,583	12,86,266	0	70,79,849	15,28,468	18,29,843
3.	Furniture & Fittings	14,55,861	3,52,669	0	18,08,530	4,92,693	1,01,401	0	5,94,094	12,14,436	9,63,168
4.	Motor Car	3,72,281	0	0	3,72,281	3,13,093	35,367	0	3,48,460	23,821	59,188
	Total	1,96,51,568	13,37,560	1,00,00,000	1,09,89,128	65,99,369	14,23,034	0	80,22,403	29,66,725	1,30,52,199
	As on 31.03.2006	1,76,48,332	20,03,236	0	1,96,51,568	54,66,557	11,32,812	0	65,99,369	1,30,52,199	1,21,81,775



31.03.2006 Rs.		31.03.2007 Rs.
SCHEDULE D		
INVESTMENTS		
	Un Quoted	
1,26,60,000	In Equity Shares of the Companies under the Same Management	1,26,60,000
10,000	In Equity Shares of Bombay Stock Exchange Ltd.	1,00,10,000
1,000	In Equity Shares of Central Depository Services (I) Ltd.	1,000
5,000	In Equity Shares of Surashtra Kutch Stock Exchange Ltd.	5,000
	In Equity Shares of Boomi Hotels Pvt. Ltd	50,00,000
5,07,828	Commercial Building	5,07,828
<u>1,31,83,828</u>	TOTAL	<u>2,81,83,828</u>
SCHEDULE E		
CURRENT ASSETS, LOANS & ADVANCES		
2,64,76,476	Advances & Deposits	2,98,23,895
	DEBTORS:	
65,69,673	Exceeding six months	79,34,291
1,86,86,295	Others	2,19,84,363
	CASH AND BANK BALANCES:	
3,20,078	Cash on hand	7,96,871
7,90,38,467	Cash at Bank	6,69,65,578
3,46,33,566	Stock on Hand	1,02,77,098
<u>16,57,24,555</u>	TOTAL	<u>13,77,82,096</u>
SCHEDULE F		
CURRENT LIABILITIES & PROVISIONS		
7,90,30,914	Current Liabilities	6,81,72,477
88,00,000	Provisions for Taxation	-
8,98,112	Provisions for Expenses	9,56,481
<u>8,87,29,026</u>	TOTAL	<u>6,91,28,958</u>
SCHEDULE - G		
INCOME FROM OPERATIONS		
1,92,16,258	Income from Client operations	1,53,07,425
1,75,13,219	Income from Trading	(-91,36,863)
<u>3,67,29,477</u>	TOTAL	<u>61,70,562</u>
SCHEDULE -H		
DIVIDEND AND OTHER INCOME		
6,95,239	Dividend Received	5,68,825
28,34,703	Interest Received	32,13,533
33,02,916	Other Income	21,31,915
<u>68,32,858</u>	TOTAL	<u>59,14,273</u>

**SCHEDULE - I**

ADMINISTRATIVE EXPENSES		
39,39,524	Salaries & Bonus	38,43,356
1,12,491	Traveling Expenses	5,11,297
25,69,836	Repairs & Maintenance	25,43,957
4,54,324	Electricity Charges	4,44,376
6,98,618	Postage, Courier & Telephone	6,40,785
14,40,413	Rent	15,09,000
39,622	Insurance Charges	1,78,656
1,46,225	Legal and professional charges	80,741
-	General Expenses	1,35,000
3,68,884	Printing & Stationery	2,49,174
54,518	Staff Welfare	1,12,695
16,42,708	Bad Debts	-
1,14,67,163	TOTAL	1,02,49,037

SCHEDULE - J

STOCK EXCHANGE EXPENSES		
3,72,298	VSAT charges	3,36,671
5,13,180	Stock Exchange expense	4,88,613
6,96,420	CDSL Expenses	6,28,127
4,77,984	Demat transaction charges	2,03,096
1,25,576	SEBI Turnover Tax	35,000
21,85,458		16,91,507

SCHEDULE - K

BANK CHARGES AND INTEREST		
11,35,212	Bank Guarantee fee	11,89,405
1,96,740	Bank Charges	1,35,643
39,787	Bank interest	57,191
13,71,739	TOTAL	13,82,239

SCHEDULE-L

LICENCE FEES AND TAXES		
15,247	Listing fee	15,300
1,07,991	SEBI Registration fee	5,724
17,571	Licence Fees & Taxes	-
1,49,000	Membership fee	1,41,000
2,89,809	TOTAL	1,62,024

As per my report even dated

(Sd/-) P.Mahendran, FCA
Chartered Accountant
Mumbai, 30.06.2007

(Sd/-) Sri. Prakash Devidas Shah
Managing Director

(Sd/-) Sri. Soresh P Shah
Whole Time Director



SCHEDULE-M**Notes to the Accounts and Significant Accounting Policies****1. Basis of Accounting**

Financial Statements are prepared under historical costs conversions on accrual basis in accordance with the requirements of the Companies Act, 1956

2. Revenue and Transaction Recognition

Revenue and Transactions with Stock Exchanges were recognised only for completed settlements.

3. Fixed Assets

Fixed assets are stated at cost inclusive of incidental expenses such as freight, octroi etc, incurred by the Company. The installation and commissioning expenses are also capitalised.

4. Inventory

The securities available on hand as on 31-03-2007 were valued at cost or market prices whichever is lower.

5. Managerial Remuneration:

	31.3.2007 Rs.Lakhs	31.3.2006 Rs.Lakhs
Salary	7.8	6.6
Contribution to Provident & other funds	—	—
Perquisites	—	—
	<hr/>	<hr/>
	7.8	6.6

6. Depreciation

Depreciation on Fixed Assets has been provided on "Straight Line Method" as per Section 205(2) (b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

7. Investment

Investments represents amounts invested in 270000 Eq Shares of M/s Padmakant Devidas Securities Ltd, 758000 Eq Shares of M/s Prakash Devidas Securities Ltd., 10000 Eq Shares of Bombay Stock Exchange Ltd., 100 Eq Shares of Central Depository Services (I) Ltd. & 50 Eq Shares of Saurashtra Kutch Stock Exchange Ltd. 100000 Eq Shares of Bhoomi Hotels P. Ltd.

8. Contingent Liabilities

Guarantees given by the Company's Bankers on behalf of the Company is amounting to Rs.850 lakhs.

9. No employee is eligible for Gratuity.**10. Auditor's Remuneration:**

	31.03.07	31.03.06
Audit Fee	19285.00	19285.00
Tax Audit Fee	7500.00	7500.00

11. Previous year figure have been regrouped and reclassified wherever necessary.

As per my report even dated

(Sd/-) Sri. Prakash Devidas Shah
Managing Director

(Sd/-) P.Mahendran, FCA
Chartered Accountant

30.06.2007
Mumbai

(Sd/-) Sri. Soresh P Shah
Whole time Director



CASH FLOW STATEMENT**31.03.2007**

Net Profit as per profit and loss Statement	(-)28,49,025
Less Donation made	5,05,952
Add Depreciation written off	14,23,034
Add Loss on sale of Assets	-

(-)19,31,943**FUNDS FROM OPERATIONS**

Cash From operations	
Funds from operations	(-)19,19,943
Add:- Trade and other receivables	80,10,105
Less:- Inventories	(-)2,43,56,468
Add:-Trade payables and other current liabilities	(-)1,96,72,956
Cash From Operations	(-)52,58,536

CASH FLOW STATEMENT

Cash from operating activity	
Net tax from operating activity (from ordinary activities)	(-)52,58,536
Cash from investing activity	
Investment in shares	- 13,37,560
Purchase of Assets (computer)	
Sale of Asset(Furniture & Fittings)	
Sale of Assets (car)	
Net cash from investing activity	- 50,00,000
Cash from financing activity	- 63,37,560
Increase in cash and cash equivalents during the year	-1,15,96,096
Add Opening balances of cash and cash equivalents	7,93,58,545
Closing Balance of cash and cash equivalents	6,77,62,449

30.06.2007

Mumbai

(Sd/-) Sri. Prakash Devidas Shah
Managing Director**(Sd/-) Sri. Sohesh P Shah**
Whole Time Director

Auditor's Certificate

I have verified the above Cash Flow Statement of DJS STOCK AND SHARES LIMITED derived from the financial statements for the year ended March 31,2007 and found the same to be in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges.

Mumbai
30.06.2007**P. MAHENDRAN F.C.A.,**
Chartered Accountant



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I..Registration Details

Registration No. : 181-5030 State Code : 18
Balance Sheet Date : 31st day March, 2007

II. Capital Raised during the Year (Amount in Rs.)

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities : 9,98,03,691 Total Assets : 9,98,03,691

Sources of Funds

Paid up Capital : 5,03,04,000 Reserves & Surplus : 4,94,99,691
Secured Loans : NIL Unsecured Loans : NIL

Application of Funds

Net Fixed Assets : 29,66,725 Investments : 2,81,83,828
Net Current Assets : 6,86,53,138 Misc.Expenditure : NIL

IV Performance of Company (Amount in Rs.)

Turnover : 1,20,84,835 Total Expenditure : 1,54,39,812
Profit/Loss before Tax : (-)33,54,977 Profit/Loss After tax : (-)34,27,865
Earning Per share in Nil Dividend rate % : NIL

V Generic Names of three Principal Products/ Services of Company (as per monetary terms)

Item Code (ITC Code) :

Product

Description : Shares and Securities.

As per my report even dated

(Sd/-) Sri. Prakash Devidas Shah
Managing Director

(Sd/-) P.Mahendran, FCA
Chartered Accountant

(Sd/-) Sri. Sohesh P.Shah
Whole Time Director

Mumbai.
30.06.2007