



DJS STOCK AND SHARES LIMITED

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 Shoresh 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**CONTENTS**

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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 prerequisites 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**

Place: Mumbai
Date : 30.06.2008

Prakash D. Shah
Managing Director



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 sensx 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



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

Indian economy continued to expand at a robust pace for the fifth consecutive year reaching a sustainable level of 8-9 per cent annual growth. The growth was contributed by all sectors of the economy but more remarkably by the manufacturing and service sectors. The impact of growth could be felt in the domestic economic activity as well as in the growth of exports. There has been a significant increase in the foreign exchange reserves and FDI and FII inflows into the country. The Exchange rates strengthened to a level of below Rs.40 to a dollar. However global economic activity decelerated towards the end of the calendar year resulting in investment concerns on account of the sub-prime crisis in the United States and other developed nations. Naturally the effects of this slowdown spilled over into developing economies also and we are looking ahead with some degree of concern over the prospects in the near future.

Industry Overview

The buoyant economic environment and prospects of India got the attention of global investors and the FII inflows continued even in the current financial year. The increased liquidity combined with excellent performance of the corporate sector helped growth of equity market significantly. The sensx 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. There has been a considerable increase in other areas of the industry such as Mutual Funds, IPOs and insurance products also. 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.

Review of operations

The Company achieved all round record performance during the financial year. This is reflected in the total income which increased more than 4.5 times to Rs281.77 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. The Brokerage revenue of the Company was Rs. 204.36 Lakhs, an increase of 33.50% from that of the previous year. The brokerage revenue continues to be the main source of income of the Company and contributed a major revenue during this financial year. This was possible because your Company was prepared to take advantage of such active market condition through an extensive network, robust technology systems and suitable manpower.

Outlook 2008-09

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 expectation of a moderate GDP growth rate compared to other competing emerging markets and healthy corporate earnings 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

The manifold increase in capital mobilisation from the primary market and phenomenal growth in secondary market volumes, provide significant business opportunities for our Company. The Indian Financial Market has a very high growth potential. The macro economic fundamentals are sound to allow the economy to make rapid strides. Economic expansion will result in greater disposable incomes and larger number of investors. There is a significant growth opportunity for your Company in this scenario.

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. 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.

Place: Mumbai
Date : 30.06.2008

By order of the Board
For DJS Stock and Shares Limited
Prakash D. Shah
Managing Director



CORPORATE GOVERNANCE REPORT

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

Company's philosophy on Corporate of Governance

The Company remains committed to the concept of good corporate governance practices in all its activities to ensure the ultimate goal of making the Company a value driven Organisation. The Company desires to achieve transparency, full disclosure and independent monitoring of the state of affairs and shall be fair to all its stakeholders. Its philosophy on the code of Corporate Governance is:

- a) To utilise all resources optimally for the maximization of Stakeholders value and the company is providing quality services to its client which is matching with the international standards.
- b) To have a well knit family of employees, and imbibe the corporate values in the employees and encourage them in their conduct.
- c) To ensure that the decision making process is fair and transparent.
- d) To ensure adequate control systems to enable the Board to efficiently conduct the business and discharge its responsibilities to shareholders.

Board of Directors

The Board of Directors comprises of 8 members including 4 executive directors and 4 non executive Independent directors.

The Chairman of the Board is an Executive Director and atleast half of the board comprises of independent directors. The independent directors on the Board are professionals, who are senior, competent and highly respected persons from their respective fields and provide strategic direction and thrust to the operation of the Company.

The key decisions are taken after detailed deliberations and discussions by the Board. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter-alia specified under clause 49 Annexure - IA of the Listing Agreement.

None of the Directors on the Board is a Member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49), across all the companies in which he is a Director.

The composition of the Board of Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting and the number of other Directorships and Committee Memberships held by them in other Companies are given below:



Name of Directors	Category	Designation	Attendance particulars		No. of other Directorships & committee memberships / chairmanships		
			Board Meetings	Last AGM	Directorship	Committee Chairmanship 1&2	Committee 1 & 2
Shri. Prakash D. Shah	Promoter & Managing Director	Chairman	24	Yes	2	N.A	N.A
Shri. Jayantilal P. Shah	Promoter Director-Executive	Director	14	No	0	N.A	N.A
Shri. Bhagawati Prasad	Non-Executive Director – Independent	Director	2	No	3	N.A	N.A
Shri. K. Annamalai	Whole-time Director – Promoter	Whole-time Director	7	Yes	2	N.A	N.A
Shri. Shohesh P. Shah	Whole-time Director -Executive	Whole-time Director	24	Yes	2	N.A	N.A
Shri. Amit P. Bhansali	Non-Executive Director – Independent	Director	14	No	1	N.A	N.A
Shri. Ajay M. Gupta	Non-Executive Director – Independent	Director	14	No	1	N.A	N.A
Shri. D.C. Shah	Non-Executive Director – Independent	Director	1	No	0	N.A	N.A

Notes :

- The other Directorships and Chairmanships/ Memberships of committees held in foreign companies, private limited companies and companies incorporated u/s 25 of the Companies Act, 1956 are excluded.
- The Chairmanship and the membership of Audit Committee and Shareholders' Grievance Committee alone are considered.

During the year under review, the Board of Directors met twenty four times i.e 2nd April, 2007, 5th May 2007, 2nd June 2007, 21st June 2007, 30th June 2007, 7th July 2007, 4th August 2007, 18th August 2007, 8th September 2007, 6th October 2007, 13th October 2007, 23rd October 2007, 19th November 2007, 21st November 2007, 3rd December 2007, 10th December 2007, 1st January 2008, 2nd January 2008, 12th January 2008, 31st January, 2008, 2nd February, 2008, 19th February 2008, 5th March 2008, 31st March 2008. The Maximum interval between any two Meetings during this period does not exceed four months.

Dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary by the Board.

The Company has adopted the Code of Conduct for all Board members and managerial personnel of the Company. The Company has received affirmations from them regarding compliance of the provisions of the Code during the year under review. A declaration signed by the Managing Director of the Company to this effect is attached with the Report.

Audit Committee

The Company has constituted an Audit Committee in the year 2007. The role, powers and functions of the Audit committee are as per guidelines stated in the Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee inter-alia are broadly as under:



1. To oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
2. To recommend to the Board, the appointment and reappointment of Statutory Auditors, fixation of audit fees and also approval for payment of any other services.
3. To review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement in the Board's report, in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of related party transactions.
4. To review with the management, the quarterly financial statements before submission to the Board for approval.
5. To review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
6. To review the status on utilization of IPO proceeds.
7. To review the adequacy of internal control system, including the structure of the internal audit department, staffing of the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To review the functioning of the Whistle Blower mechanism.

The Audit Committee comprises of 3 Non-Executive Independent Directors. The members of the Committee possess the sound knowledge of finance & accounts. The Audit Committee invites



such of the executives, as it considers appropriate to be present at the meetings of the committee. The Managing Director, Executive Director & representatives of the internal auditors and statutory auditors are also present at the Audit Committee Meetings as invitees.

During the year under review, the Committee met five times on 30.06.2007, 07.07.2007, 13.10.2007, 12.01.2008 and 31.03.2008.

The details of the Composition of the Committee and attendance at its meetings are given in table below:

Name of Member	Status	Category	No of meetings attended
Mr. Amit Bhansali	Chairman	Independent Director	5
Mr. Shohesh P. Shah	Director	Non Independent Director	5
Mr. Ajay Gupta	Director	Independent Director	3
Mr. Bhagawati Prasad	Director	Independent Director	1

Compensation / Remuneration Committee

The Company has constituted Compensation/Remuneration Committee in the year 2007. The scope of the activities of the Compensation / Remuneration Committee is to recommend the remuneration payable to the Managing Director and Executive Director of the Company, payment of commission and sitting fees to Non Executive Directors.

During the year under review, the Committee met two times on 31.10.2007 and 05.03.2008.

Shareholders' Investor Grievance and Share Transfer Committee

The Company has constituted the Committee in the year 2007. The Committee looks into redressal of shareholders' grievances. The committee considers share transfers and meets regularly depending on the transfers received so that the same can be duly transferred and dispatched as per listing agreement.

During the year 2007-08, the Committee met two times on 31.10.2007 and 31.03.2008

The details of the Composition of the Committee and attendance at its meetings are given in table below:

Name of Member	No of meetings attended
Mr. Amit Bhansali	2
Mr. Shohesh P. Shah – Compliance Officer	2

Subsidiary Companies

There are no subsidiary Companies to this Company.



General Body Meetings

Details of Annual General Meetings held during last three years:

AGM for Financial Year ended	Date	Time	Location	Special Resolutions passed thereat
2006-2007	29.09.07	4.30 p.m.	Regd. Office:14, Arts, College Road, Coimbatore - 641018	YES
2005-2006	30.09.06	4.30 p.m.	Regd. Office:14, Arts College Road, Coimbatore - 641018	YES
2004-2005	16.09.05	4.30 p.m.	Regd. Office:14, Arts College Road, Coimbatore - 641018	YES

Postal Ballot

For the financial year ended 31st March 2008, there has been no ordinary or special resolution passed by the Company that required approval of members by way of postal ballot under the provisions of section 192A of the Companies Act, 1956.

Disclosure on materially significant related party transactions

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

The remuneration paid to the Directors are disclosed in schedule "M".

Disclosure of Accounting Treatment

The financial statements of the Company comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

Board Disclosures – Risk Management

The Company has laid down the requisite procedures to inform the Board Members about the risk assessment and minimization procedures.

Your Company is not in speculative trade and is 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.

Details of non-compliance with regard to Capital Market

The Equity shares of the Company have been listed with Stock Exchanges with effect from 09.02.1995. Since then, there have been no instances of non compliances by the Company and no penalties and / or strictures are imposed on the Company by Stock Exchanges or SEBI or any statutory authorities on any matters relating to capital markets.



Code of conduct for Prevention of Insider Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented "DJS Code of conduct for prevention of Insider Trading".

CEO/CFO Certification

A certificate from Chairman on the financial statements of the Company was placed before the Board as per the requirement of Clause 49 (V) of the Listing Agreement.

COMPLIANCE WITH NON MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT.

The Company has voluntarily complied with the non mandatory requirements relating to Remuneration Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is given as a separate section in the Annual Report

CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2007 TO 31.03.2008

A. Cash flow from Operating Activities :- Enclosed

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 43,85,100 shares have been dematerialized.

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.

GENERAL SHAREHOLDER'S INFORMATION:

(1) Annual General Meeting

Day and Date	: 30 th September, 2008
Time	: 4.30 p.m.
Venue	: Registered Office, 14, Arts College Road, Coimbatore-641 018.
Book Closures	: 29.09.2008 to 30.09.2008 (Both Days Inclusive)

(2) Financial Calendar

Results announced	: 30-06-2008
Posting of Annual Report	: On or before 01-09-2008
Last date for receipt of proxy forms	: On or Before 4-30 P.M. on 28.09.2008.
Announcement of Quarterly results	: During last week of July, October,2007 and January 2008.

(3) Book Closure : 29.09.2008 to 30.09.2008 (Both Days Inclusive)



(4) Listing on Stock Exchange

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

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

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

The requisite Listing Fees for the financial year 2008-2009 has been paid to both the above Stock Exchanges where the equity shares of the Company are listed.

(5) Stock Code

Bombay Stock Exchange Limited: 511636

(6) Stock Market Data for the period – 1st April, 2007 to 31st March, 2008 Share price performance in comparison on BSE:

Month (2007-08)	BSE		Sensex		No. of Shares transacted
	High(Rs.)	Low(Rs.)	High	Low	
April	9.97	9.00	14383.72	12425.52	1600
May	10.00	10.00	14576.37	13554.34	3600
June	12.07	10.50	14683.36	13946.99	3300
July	14.17	12.60	15868.85	14638.88	1600
August	24.61	14.15	15542.40	13779.88	5800
September	36.10	25.80	17361.47	15323.05	11000
October	32.55	24.20	20238.16	17144.58	9600
November	32.80	20.85	20204.21	18182.83	7100
December	28.25	21.50	20498.11	18886.40	7600
January	44.65	28.35	21206.77	15332.42	11500
February	31.00	25.60	18895.34	16457.74	56500
March	25.60	20.00	17227.56	14677.24	115400

(7) DISTRIBUTION OF SHARE HOLDING (As on 31.03.2008)

Range		No. of shareholders	% to no. of share holders	No of shares	% to No of shares
From	To				
1	100	1266	56.37	126600	2.52
101	500	695	30.94	204700	4.07
501	1000	148	6.59	121100	2.41
1001	5000	112	4.99	261200	5.19
5001	100000	19	0.85	500400	9.95
100001	1000000	4	0.18	1136500	22.59
Above	1000000	2	0.09	2679900	53.27
Total		2246	100	5030400	100

SHAREHOLDING PATTERN AS ON 31.03.2008

Category	% of shareholding
Directors and Relatives	76.98
Other Body Corporate.	7.46
Nationalised Banks/Mutual Funds.	NIL
Public.	15.56



Shareholding of Non-Executive and Executive Directors as on 31 March, 2008

Name of Director	Status	No. of Shares
Prakash D. Shah	Executive Director	26,49,100
K. Annamalai	Executive Director	2,84,900
Jayantilal P. Shah	Executive Director	100
Shohesh P. Shah	Executive Director	6,44,400
Bhagwati Prasad	Non-Executive Director	95,000
Ajay Gupta	Non-Executive Director	NIL
Dr. Devandra Shah	Non-Executive Director	100
Amit Bhansali	Non-Executive Director	NIL

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:

Shri. Shohesh P. Shah – Whole Time Director

DJS Stock and Shares Limited

8-B, Mitali Trust, Shirin Sohrab Palace,

Nariman Road, Vile Parle-East,

Mumbai – 400 057.

Phone : 022 – 26103594 / 2618 5011

Fax : 022 – 2613 5319

e-mail : djsstock@hotmail.com & djsparle@yahoo.co.in

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

Place: Mumbai

Date : 30.06.2008

Prakash D. Shah
Managing Director



Declaration by Managing Director under Clause 49 of Listing Agreement

The Members of DJS STOCK & SHARES LTD

This is to declare that to the best of my knowledge and belief all the Members of the Board and senior Management personnel of the Company have affirmed their respective Compliance with the DJS Code of Conduct for the year ended 31.03.2008.

Place: Mumbai
Date : 30.06.2008

Prakash D. Shah
Managing Director



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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, 2008 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

30-06-2008

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 2008, 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 2008 and taken on record by the Board of Directors, I report that none of the directors are disqualified as on 31st March 2008 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 2008;
 - (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



Annexure to Audit Report dated 30.06.2008
(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.
(iii) 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 31.03.08 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 not incurred any cash loss during the financial year and in the immediately preceding financial year covered by my audit.
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 been noticed or reported during the year.



Profit and Loss Account for the year ended 31.03.2008

INCOME	Schedule	31.03.2008	31.03.2007
Income from operations	G	2,81,76,907	94,46,675
Dividend and other Income	H	3,84,92,827	59,14,273
		<u>6,66,69,734</u>	<u>1,53,60,948</u>
EXPENDITURE			
Administrative Exp.	I	2,00,94,181	1,35,25,150
Stock Exch. Exp	J	59,90,075	16,91,507
Bank Charges & Interest	K	12,94,111	13,82,239
Licence fees and Taxes	L	2,69,139	1,62,024
Audit Fee		19,700	26,019
Depreciation		16,00,010	14,23,034
		<u>2,92,67,216</u>	<u>1,82,09,973</u>
NET PROFIT		3,74,02,518	(-) 28,49,025
Add: Balance B/F.		4,93,50,995	5,27,28,222
Total		8,67,53,513	4,98,79,197
Add : Deferred Tax Asset		73,401	50,638
Less : Appropriation			
Donations		5,42,001	5,05,952
Provision fox Taxes		1,36,13,594	—
Income tax of earlier years		84,299	72,888
Total		1,42,39,894	5,78,840
Balance carried down to Balance Sheet		<u>7,25,87,020</u>	<u>4,93,50,995</u>
Basic earnings per share		7.44	—
Diluted earnings per share		7.44	—

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

As per my report even dated

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

30.06.2008.
Mumbai.

Sd/-) Shri. Prakash Devidas Shah
Managing Director

(Sd/-) Shri. Shohesh P Shah
Whole Time Director



Balance Sheet as on 31.03.2008

	SCHEDULES	31.03.2008	31.03.2007
		Rs.	Rs.
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS	A	5,03,04,000	5,03,04,000
RESERVES AND SURPLUS	B	7,26,62,315	4,94,99,691
TOTAL		<u>12,29,66,315</u>	<u>9,98,03,691</u>
 APPLICATION OF FUNDS			
FIXED ASSETS	C	32,86,646	29,66,725
INVESTMENTS	D	77,24,986	2,81,83,828
CURRENT ASSETS		18,15,54,492	13,77,82,096
Less: CURRENT LIABILITIES & PROVISIONS	F	6,95,99,809	6,91,28,958
		<u>11,19,54,683</u>	<u>6,86,53,138</u>
TOTAL		<u>12,29,66,315</u>	<u>9,98,03,691</u>

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

30.06.2008.
Mumbai.

Sd/-) Shri. Prakash Devidas Shah
Managing Director

(Sd/-) Shri. Shohesh P Shah
Whole Time Director



SCHEDULES ANNEXED TO THE ACCOUNTS

31.03.2007
Rs.

31.03.2008
Rs.

SCHEDULE A

SHARE CAPITAL

Authorised

10,00,00,000	1,00,00,000 Equity shares of Rs.10 each	10,00,00,000
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5,03,04,000	Issued, Subscribed and fully paidup 50,30,400 Equity Shares of Rs.10 each	5,03,04,000
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5,03,04,000	Total	5,03,04,000
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SCHEDULE B :

RESERVES AND SURPLUS

4,93,50,995	Profit And loss a/c	7,25,87,020
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1,48,696	Net deferred Tax Liability	75,295
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4,94,99,691	Total	7,26,62,315
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Schedule C: Fixed Assets

Sl. No.	Name of the Assets	Depreciation								
No.	Cost as on 01.04.2007	Addition	Deletion	Total Cost as on 31.03.08	upto 31.03.07	for the year	with drawn	upto 31.03.08	W.D.V as on 31.03.08	W.D.V. as on 31.03.07
	1	2	3	4	5	6	7	8	9	10
1.	Stock Exc.Mem.Card	2,00,000	0	0	2,00,000	0	0	0	2,00,000	2,00,000
2.	Office Equipments	86,08,317	9,83,828	0	95,92,145	70,79,849	14,24,298	0	85,04,147	10,87,998
3.	Furniture & Fittings	18,08,530	2,95,777	0	21,04,307	5,94,094	1,28,279	0	7,22,373	13,81,934
4.	Motor Car	3,72,281	6,40,327	0	10,12,608	3,48,460	47,433	0	3,95,893	6,16,715
	Total	1,09,89,128	19,19,932	0	1,29,09,060	80,22,403	16,00,010	0	96,22,413	32,86,647
	As At 31.3.07	1,96,51,568	13,37,560	10000000	1,09,89,128	65,99,369	14,23,034	0	80,22,403	29,66,725



31.03.2007
Rs.

31.03.2008
Rs.

SCHEDULE D

INVESTMENTS		
	Un Quoted	
1,26,60,000	In Equity Shares of the Companies under the Same Management	40,50,000
1,00,10,000	In Equity Shares of Bombay Stock Exchange Ltd.	31,61,158
1,000	In Equity Shares of Central Depository Services (I) Ltd.	1,000
5,000	In Equity Shares of Saurashtra Kutch Stock Exchange Ltd.	5,000
50,00,000	In Equity Shares of Bhoomi Hotels Pvt. Ltd.	
5,07,828	Commercial Building	5,07,828
<u>2,81,83,828</u>	TOTAL	<u>77,24,986</u>

SCHEDULE E

CURRENT ASSETS, LOANS & ADVANCES		
2,98,23,895	Advances & Deposits	3,67,04,053
	DEBTORS:	
79,34,291	Exceeding six months	99,92,515
2,19,84,363	Others	2,27,83,247
	CASH AND BANK BALANCES:	
7,96,871	Cash on hand	3,94,917
6,69,65,578	Cash at Bank	7,79,72,394
1,02,77,098	Stock on Hand	3,37,07,366
<u>13,77,82,096</u>	TOTAL	<u>18,15,54,492</u>

SCHEDULE F

CURRENT LIABILITIES & PROVISIONS		
6,81,72,477	Current Liabilities	6,43,52,372
—	Provisions for Taxation	42,10,000
9,56,481	Provisions for Expenses	10,37,437
<u>6,91,28,958</u>	TOTAL	<u>6,95,99,809</u>



31.03.2007
Rs.

31.03.2008
Rs.

SCHEDULE G

INCOME FROM OPERATIONS

1,53,07,425	Income from clients operations	2,04,35,864
(-)58,60,750	Income from Trading	77,41,043
<u>94,46,675</u>	TOTAL	<u>2,81,76,907</u>

SCHEDULE H

DIVIDEND AND OTHER INCOME

5,68,825	Dividend Received	6,44,216
32,13,533	Interest Received	38,77,687
21,31,915	Other Income	3,39,70,924
<u>59,14,273</u>	TOTAL	<u>3,84,92,827</u>

SCHEDULE I

ADMINISTRATIVE EXPENSES

38,43,356	Salaries & Bonus	68,78,302
32,76,113	Arbitrage Refund	62,40,927
5,11,297	Traveling Expenses	3,07,234
25,43,957	Repairs & Maintenance	27,09,738
4,44,376	Electricity Charges	4,98,830
6,40,785	Postage, Courier & Telephone	6,92,553
15,09,000	Rent	10,39,000
1,78,656	Insurance Charges	1,29,145
80,741	Legal and professional charges	5,98,466
1,35,000	General Expenses	7,363
2,49,174	Printing & Stationery	4,44,686
1,12,695	Staff Welfare	2,27,350
—	Sales Promotion	2,54,612
—	Advertisement Expenses	10,900
—	Software Expenses	30,027
—	Bad Debts	25,049
<u>1,35,25,150</u>	TOTAL	<u>2,00,94,181</u>



31.03.2007
Rs.

31.03.2008
Rs.

SCHEDULE J

STOCK EXCHANGE EXPENSES

3,36,671	VSAT charges	2,12,821
4,88,613	Stock Exchange expense	14,27,198
6,28,127	CDSL Expenses	37,89,672
2,03,096	Demat transaction charges	3,27,882
35,000	SEBI Turnover Tax	2,32,502
<u>16,91,507</u>	TOTAL	<u>59,90,075</u>

SCHEDULE K

BANK CHARGES AND INTEREST

11,89,405	Bank Guarantee fee	9,96,654
1,35,643	Bank Charges	1,26,122
57,191	Bank interest	1,65,916
—	Car Loan Interest	5,419
<u>13,82,239</u>	TOTAL	<u>12,94,111</u>

SCHEDULE L

LICENCE FEES AND TAXES

15,300	Listing fee	14,903
5,724	SEBI Registration fee	90,000
1,41,000	Membership fee	1,64,236
<u>1,62,024</u>	TOTAL	<u>2,69,139</u>

As per my report even dated

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

30.06.2008.
Mumbai.

Sd/-) Shri. Prakash Devidas Shah
Managing Director

(Sd/-) Shri. Shohesh 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 31-03-2008 where valued at cost or market prices whichever is lower.

5. Managerial Remuneration :

	31.3.2008	31.3.2007
	Rs.Lakhs	Rs.Lakhs
Salary	9.0	7.8
Contribution to Provident & other funds	—	—
Perquisites	—	—
	<u>9.0</u>	<u>7.8</u>

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., 3158 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.

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:

	31.03.08	31.03.07
Audit Fee	19700.00	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/-) P.Mahendran, FCA
Chartered Accountant

Sd/-) Shri. Prakash Devidas Shah
Managing Director

30.06.2008.

Mumbai

(Sd/-) Shri. Shohesh P Shah
Whole Time Director



CASH FLOW STATEMENT**31.03.2008**

Net Profit as per profit and loss Statement	3,74,02,518
Less : Donation made	5,42,001
Add : Depreciation written off	16,00,010
Add : Loss on sale of Assets	—
	<u>3,84,60,527</u>

FUNDS FROM OPERATIONS

Cash From operations	
Funds from operations	3,84,60,527
Add:- Trade and other receivables	97,37,266
Less:- Inventories	2,34,30,268
Add:-Trade payables and other current liabilities	(-)1,32,27,042
Cash From Operations	<u>(-) 79,34,049</u>

CASH FLOW STATEMENT**Cash from operating activity**Net flow from operating activity (from ordinary activities) **(-) 79,34,049****Cash from investing activity**

Investment in shares	
Purchase of Assets (computer)	19,19,932
Sale of Asset(Furniture & Fittings)	—
Sale of Assets (car)	—
Net cash from investing activity	(-) 3,04,58,842
Cash from financing activity	<u>2,85,38,910</u>

Increase in cash and cash equivalents during the year **2,06,04,861**Add Opening balances of cash and cash equivalents **6,77,62,449**Closing Balance of cash and cash equivalents **8,83,67,310****Sd/-) Shri. Prakash Devidas Shah**
Managing Director30.06.2008.
Mumbai.**(Sd/-) Shri. Shohesh 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 31,2008 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

P. MAHENDRAN F.C.A.,



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, 2008

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 : 12,29,66,315 Total Assets : 12,29,66,315

Sources of Funds

Paid up Capital : 5,03,04,000 Reserves & Surplus : 7,26,62,315
Secured Loans : NIL Unsecured Loans : NIL

Application of Funds

Net Fixed Assets : 32,86,646 Investments : 77,24,986
Net Current Assets : 11,19,54,683 Misc.Expenditure : NIL

IV Performance of Company (Amount in Rs.)

Turnover : 6,66,69,734 Total Expenditure : 2,98,09,217
Profit/Loss before Tax : 3,68,60,517 Profit/Loss After tax : 2,31,62,624
Earning Per share in : 7.44 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/-) P. Mahendran F.C.A.,
Chartered Accountant

30.06.2008.
Mumbai.

Sd/-) Shri. Prakash Devidas Shah
Managing Director

(Sd/-) Shri. Shohesh P Shah
Whole Time Director

DJS STOCK AND SHARES LIMITED

14 Arts College Road, Coimbatore - 641 018

(In case a member is unable to be present at the meeting this form may be used)

PROXY FORM

I/Weof..... residing in the district ofbeing a member / members of the above named company hereby appointofresiding in the district of as my / our proxy to vote for me / our behalf in the Fourteenth Annual General Meeting of the company to be held on Tuesday 30th September, 2008 at the registered office of the company and any adjournment thereat.



Place :
Date :

Note : Indian revenue Stamp of Rs.0.30 should be affixed in the form which should then be signed by the member. The form thus completed should be deposited at the Registered Office of the Company at 14, Arts College Road, Coimbatore - 641 018 atleast forty eight hours before the commencement of the meeting, i.e. before 4.30 p.m. on 30th September, 2008.

**DJS STOCK AND SHARES LIMITED
ATTENDANCE SLIP**

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the Fourteen Annual General Meeting of the Company held at 14, Arts College road, Coimbatore – 641 018 on Tuesday the 30th September, 2008.

Full Name of the Shareholder in BLOCK LETTERS : _____

Account No: _____

No. of Shares held: _____

Name of Proxy (if any) in BLOCK LETTERS: _____

If undelivered please return to :

DJS Stock and Shares Limited
14, Arts College Road,
Coimbatore - 641 018.