

## **DJS STOCK AND SHARES LIMITED**

### **REPORT ON CORPORATE GOVERNANCE**

*(Pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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 organization. The Company desires to achieve transparency, full disclosure and independent monitoring of the state of affairs and shall be fair to all its stakeholders. The Company has adopted the requirement of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy on the code of Corporate Governance is:

- i. 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.
- ii. To have a well knit family of employees, and imbibe the corporate values in the employees and encourage them in their conduct.
- iii. To ensure that the decision making process is fair and transparent.
- iv. To ensure adequate control systems to enable the Board to efficiently conduct the business and discharge its responsibilities to shareholders.

#### **2. BOARD OF DIRECTORS:**

##### **(i) Composition and Category of Directors as on 31<sup>st</sup> March 2019.**

Name of Directors	Category
Mr. Harish Sitaram Sharma	Whole-time Director
Mr. Manoj Kumar More	Non-Executive Professional Director
Mr. Bharat Ramanlal Pandya	Non-Executive Professional Director
Mr. Govind Sidda Chavan*#	Non-Executive Independent Director
Mr. Anish Kumar Sawarnya#	Executive Professional Director
Ms. Shweta Bharadwaja*\$	Non-Executive Independent Director

\* Also Independent

\$ From 26-04-2018

# From 28-06-2018

Independent Director is defined as one who apart from receiving sitting fee as a Director, does not have any other material pecuniary relationship or transactions in his personal capacity with the Company, its promoters & management.

**(ii) Meetings and Attendance of Directors during the financial year 2018-2019.**

In the financial year 2018-19, the Board of Directors met 8 times. The meetings were held on 26-04-2018, 30-05-2018, 28-06-2018, 14-08-2018, 03-09-2018, 14-11-2018, 14-02-2019 and on 15-03-2019. Attendance of Directors in meetings held during the financial year 2018-2019.

Name of Directors	No. of Board Meeting attended in F.Y. 2018-19	Attendance at Last AGM (29-09-2018)
Mr. Harish Sitaram Sharma	8	Yes
Mr. Manoj Kumar More	8	Yes
Mr. Bharat Ramanlal Pandya	8	Yes
Mr. Govind Sidda Chavan	5	Yes
Mr. Anish Kumar Sawarnya	5	Yes
Ms. Shweta Bharadwaja	7	Yes

**(iii) Directorships and Committees position held in other Companies as on 31st March 2019**

Name of the Director	No. of outside Directorship held	No. of committee positions		Directorship in other listed entities
		As Chairman	As Member	Name and Category
Mr. Manoj Kumar More	6	2	1	Ken Financial Services Ltd. - Director
Mr. Govind Sidda Chavan	Nil	None	None	None
Mr. Harish Sitaram Sharma	Nil	None	None	None
Mr. Bharat Ramanlal Pandya	2	None	None	None
Ms. Shweta Bharadwaja	Nil	None	None	None
Mr. Anish Kumar Sawarnya	Nil	None	None	None

# Only three Committees viz. Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration committee are considered for this purpose.

**(iv) Disclosure of relationships between Director inter-se:**

Table given below shows the relationship between the Directors:

Name of the Directors	Category	Relationship between Directors Inter-se
Mr. Manoj Kumar More	Professional Non-Executive	None
Mr. Govind Sidda Chavan	Independent Non-Executive	None
Mr. Harish Sitaram Sharma	Whole-time Director	None
Mr. Bharat Ramanlal Pandya	Professional Non-Executive	None
Ms. Shweta Bharadwaja	Independent Non-Executive	None
Mr. Anish Kumar Sawarnya	Professional Executive	None

**(v) Shareholding of Non- Executive Directors in the Company:**

The Shareholding of the Non- Executive Directors in the Company as on 31.03.2019:

<b>Name of Directors</b>	<b>Category</b>	<b>No. of Shares held</b>
Mr. Manoj Kumar More	Professional Non-Executive	Nil
Mr. Govind Sidda Chavan	Independent Non-Executive	Nil
Mr. Bharat Ramanlal Pandya	Professional Non-Executive	Nil
Ms. Shweta Bharadwaja	Independent Non-Executive	Nil

**(vi) Independent Directors:**

Every Independent Director of the Company is provided with ongoing information about the industry and the Company so as to familiarize them with the latest developments. The questionnaires are prepared considering the business of the Company.

The details of the Policy for the familiarization programmes for the Independent Directors are hosted on the website of the Company which can be accessed at the website: [www.djsstocks.com](http://www.djsstocks.com)

The Board of Directors confirm that the Independent Directors fulfill the conditions specified in the Act and Listing Regulations and are independent of management.

**(vii) Skills, Expertise and Competencies of the Board**

<b>Skill / Expertise/ Competence</b>	<b>Whether available with the Board</b>
Industry Knowledge and Experience	<b>Yes</b>
Leadership	<b>Yes</b>
Team Management	<b>Yes</b>
Information Technology	<b>Yes</b>
Accounting and Finance	<b>Yes</b>
Business Development	<b>Yes</b>
Compliance and Risk	<b>Yes</b>
Business Strategy	<b>Yes</b>
Personal Values	<b>Yes</b>

**(viii) Reasons for resignation of independent director:**

Hitesh Shah (holding DIN 06770329) resigned from the directorship of the Company owing to his ill health.

### 3. AUDIT COMMITTEE:

#### (i) Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & enumerated in Section 177 of the Companies Act, 2013 and covers all the aspects stipulated by the SEBI Guidelines.

#### (ii) Composition of the Committee:

The Audit Committee is comprised of independent and executive directors. During the financial year ended 31.03.2019, four Audit Committee Meetings were held on 30-05-2018, 14-08-2018, 14-11-2018 and 14-02-2019. The composition of the Audit Committee and the attendance of each Director at their meetings are as follows:-

Name	Designation	Category	No. of meetings attended during the F.Y. 2018-19
Mr. Govind Sidda Chavan*	Chairman	Non-Executive Independent Director	3
Ms. Shweta Bharadwaja	Member	Non-Executive Independent Director	4
Mr. Harish Sitaram Sharma	Member	Executive Director	4

\*From 28-06-2018

- (iii) Invitee: (being entitled to attend as per relevant provisions of applicable laws/rules and/or as and when felt necessary)
- (a) The Statutory Auditors viz. M/s Satya Prakash Natani & Co.
- (iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 29<sup>th</sup> September, 2018 and provided clarifications to the members of the Company on the matters relating to accounts and finance.
- (v) An Audit Committee meeting was held on 30<sup>th</sup> May, 2018 where the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2018 were reviewed and examined by the members of the Audit Committee before recommendation of the same to the Board of Directors for their perusal and adoption.

The Audit Committee reviewed the Quarterly / Half Yearly Unaudited Financial Results on the following dates before recommending the same to the Board.

Financial Reporting	Date of Approval by Audit Committee
Quarter ended 31 <sup>st</sup> March, 2018	30 <sup>th</sup> May, 2018
Quarter ended 30 <sup>th</sup> June, 2018	14 <sup>th</sup> August, 2018
Quarter/Half Year ended 30 <sup>th</sup> Sept. 2018	14 <sup>th</sup> November, 2018
Quarter ended 31 <sup>st</sup> December, 2018	14 <sup>th</sup> February, 2019

#### 4. **NOMINATION AND REMUNERATION COMMITTEE:**

In accordance with the provisions of Section 178 of the Companies Act, 2013 and requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has proper constitution of Nomination and Remuneration Committee and the terms of reference before the Committee are as under:

##### (i) **Terms of Reference**

- (a) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees.

The Remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

##### (ii) **Composition of the Committee:**

The Nomination and Remuneration Committee is comprised of three directors. During the financial year ended 31.03.2019, Five Committee Meetings were held on 26-04-2018, 28-06-2018, 14-08-2018, 14-02-2019 and 15-03-2019. The composition of the Nomination and Remuneration Committee and the attendance of each Director at their meetings are as follows:-

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of meetings attended during the F.Y. 2018-19</b>
Mr. Manoj Kumar More	Chairman	Non-Executive Professional Director	5
Mr. Govind Sidda Chavan*	Member	Non-Executive Independent Director	3
Ms. Shweta Bharadwaja#	Member	Non-Executive Independent Director	4

\* From 28-06-2018

# From 26-04-2018

**(iii) Performance Evaluation Criteria for Independent Directors:**

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Director. The Evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

- a) Attendance of Board and Committee Meetings;
- b) Quality of contribution to Board deliberations;
- c) Strategic perspectives or inputs regarding future growth of the Company and its performances;
- d) Providing perspectives and feedback going beyond information provided by the management.

**5. REMUNERATION OF DIRECTORS:**

- (a) Pecuniary relationship or transactions of the non-executive directors:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-19.

- (b) Criteria of making payments to non-executive directors:

None of the Non - Executive Directors is being paid any remuneration.

- (c) Details of remuneration / sitting fees paid to Directors during the year ended 31<sup>st</sup> March, 2019 and shares held by them on that date are as follows:

<b>Name</b>	<b>Remuneration</b>	<b>Share held</b>
Mr. Harish Sitaram Sharma	Rs. 3,90,000/-	NIL

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In accordance with the provisions of Section 178(5) of the Companies Act, 2013 and requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference before the Stakeholders Relationship Committee of the Board are as under:

- (i) The Company has a 'Stakeholders Relationship Committee' to review transfer and transmission of securities, issue of duplicate certificates, share dematerialization and rematerialization, monitoring the performance of company's Registrar and Transfer Agent and deals with other Shareholder related issues.
- (ii) The Committee is chaired by Mr. Govind Sidda Chavan, The Committee met twice during the year 2018-19 on 14-08-2018 and 14-02-2019. The composition of the Committee and the attendance of each Director at their meetings are as follows

Name	Designation	Category	No. of meetings attended during the F.Y. 2018-19
Mr. Govind Sidda Chavan*	Chairman	Non-Executive Independent Director	2
Ms. Shweta Bharadwaja#	Member	Non-Executive Independent Director	2
Mr. Harish Sitaram Sharma	Member	Executive Director	2

\* From 28-06-2018

# From 26-04-2018

- (iii) Iti Sharma has been designated by the Board as the 'Compliance Officer' of the Company for complying with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange, Mumbai.
- (iv) Number of Shareholders' complaints received during the year : Nil  
Number not solved to the satisfaction of the Shareholders : Nil  
Number of pending share Transfers : Nil

## 7. GENERAL BODY MEETINGS:

- (i) Details of the last three Annual General Meetings:

AGM	Date	Location	Time
22 <sup>nd</sup>	30-09-2016	Rajasthani Sangh, Seminar Hall, D. B. Road, R S Puram, Coimbatore - 641 002.	9.00 a.m.
23 <sup>rd</sup>	30-09-2017	Rajasthani Sangh, Seminar Hall, D. B. Road, R S Puram, Coimbatore - 641 002.	9:00 a.m.
24 <sup>th</sup>	29-09-2018	Shop No. 2, First Floor, Building No. 45-47, Pavalam Street, Big Bazaar, Coimbatore- 641001	9:00 a.m.

- (ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
30-09-2016	No Special Resolution was passed
30-09-2017	No Special Resolution was passed
29-09-2018	<ol style="list-style-type: none"> <li>Shifting of registered office of the Company from State of Tamil Nadu to State of Maharashtra;</li> <li>Amendment of title of Incidental Object Clause of Memorandum of Association;</li> <li>Deletion of Other Object Clause of Memorandum of Association;</li> <li>Amendment of Liability Clause of Memorandum of Association;</li> <li>Adoption of New Set of Articles of Association of the Company.</li> </ol>

- (iii) Postal Ballot: During the year 2018-19, there was no special resolution passed through postal ballot process. None of the business is proposed to be transacted through Postal Ballot.

## 8. MEANS OF COMMUNICATION.

Quarterly Results	The quarterly results as approved and taken on record by the Board of Directors of the Company generally within one and half month of the close of the relevant quarters are sent forthwith to the Stock Exchange, Mumbai and published in the proforma as prescribed in the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Which newspaper normally published in	Trenity Mirror (English Newspaper) Makkal Kurna (Regional newspaper)
Any website where displayed	www.djsstocks.com
Whether it also displays official news release	No
Whether presentations made to institutional investors or to analyst	No request as such was received

## 9. GENERAL SHAREHOLDERS INFORMATION

(i)	Next AGM:		
	Date	Time	Venue
	28-09-2019	10:30 a.m.	Shop No. 2, First Floor, Building No. 45-47, Pavalam Street, Big Bazaar, Coimbatore – 641001.
(ii)	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March	
(iii)	Dividend Payment Date	Not Applicable	
(iv)	Listing on Stock Exchanges	The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai	
(v)	Listing Fees	The Company has paid the listing fees to the BSE Limited for the financial year 2018-19.	
(vi)	<b><u>Stock Code</u></b> BSE ISIN	511636 INE234E01027	
(vii)	Depository Connectivity	National Securities Depository Ltd. Central Depository Services (India) Ltd.	
(viii)	Stock Market Data	No data is available since no trade has taken place during the F.Y. 2018-19	
(ix)	Performance of the share price of the Company in comparison to the BSE Sensex:	The trading in the shares of the Company on BSE is suspended w.e.f. 21.12.2015.	



(x)	<p><b>Registrar &amp; Transfer Agents:</b> The Company has appointed M/s. Purva Sharegistry (India) Private Limited as a common agency for share registry work (both physical &amp; electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions. <b>M/s. Purva Sharegistry (India) Private Limited</b> Unit no. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.</p>
(xi)	<p><b>Share Transfer System:</b> With a view to expedite the process of share transfers, Board of Directors has delegated the power of share transfer to Stakeholders Relationship Committee of the Board. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited and Central Depository Services (India) Limited within 7 days.</p>

(xii) **DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2019:**

(a) According to Category holdings

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
<b>Promoters</b>				
Bodies Corporate	3	0.12	42130500	55.83
<b>Public</b>				
Individual	2374	95.38	22464601	29.77
Corporate Bodies	40	1.61	9799780	12.99
NRI	6	0.24	67925	0.09
HUF	59	2.37	972294	1.29
Clearing Member	7	0.28	20900	0.03
<b>Total</b>	<b>2489</b>	<b>100.00</b>	<b>75456000</b>	<b>100.00</b>

(b) According to Number of Equity Shares

No. of Equity Shares held	No. of Shareholders	% of shareholders	No. of shares	% of shares
1-5000	1876	75.37	3451770	4.57
5001-10000	230	9.24	1685204	2.23
10001-20000	152	6.11	2154600	2.86
20001-30000	64	2.57	1548323	2.05
30001-40000	51	2.05	1850071	2.45
40001-50000	30	1.21	1346060	1.78
50001-100000	39	1.57	2784078	3.69
100001 & above	47	1.88	60635894	80.37
<b>Total</b>	<b>2489</b>	<b>100.00</b>	<b>75456000</b>	<b>100.00</b>

(xiii)	Dematerialization of Shares and liquidity	94.34% of the Company's Equity shares are Dematerialized as on 31.03.2019
(xiv)	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
(xv)	Plant Locations	The Company is not engaged in manufacturing activities hence do not have any plant.
(xvi)	Address for Correspondence	The shareholders may address their communications/suggestions/grievances/ queries to our share transfer agent: <b>Purva Sharegistry (India) Private Limited</b> Unit No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.
(xvii)	Credit Rating	Nil

## 10. DISCLOSURES:

Disclosure on materially significant related party transactions i.e. transactions of the Company of Material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large	There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.
Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during last three years.	Due to non-compliance regarding filing reports, the trading in the shares of the Company on BSE is suspended w.e.f. 21.12.2015.
Details of establishment of vigil mechanism / whistle blower policy	The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy.
Details of compliance with mandatory requirements and adoption of non-mandatory requirements	The Company has complied with all mandatory requirements of Regulation 27 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (w.e.f. 1 <sup>st</sup> December, 2015). The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.
Material Subsidiary	The Company has no material Subsidiary

Web link for policy on dealing with related party transactions	www.djsstocks.com
Commodity Price risk or foreign exchange risk and hedging activities	The Company did not engage in Commodity & hedging activities.
Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)	The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
Certificate regarding no-disqualification of Directors	A certificate from Mr. Nitesh Choudhary, Practicing Company Secretary, Mumbai has been obtained stating that none of the directors on Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report on Corporate Governance.
Fees paid to Statutory Auditors	Total fees of Rs. 40,000/- (Rupees Forty Thousand only) for the year 2018-19, for all the services was paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

**11. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

- (a). number of complaints filed during the financial year : Nil
- (b). number of complaints disposed of during the financial year : Nil
- (c). number of complaints pending as on end of the financial year : Nil

**12. COMPLIANCE OF THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT:**

During the year 2018-19, the Company has complied with the requirements of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**13. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- a) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

**14. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE:**

The Company has complied with the Regulations 17 to 27 and Clauses (b) to (i) sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2018-19, wherever applicable.

**15. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/ bonus/ right issues as at 31st March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

**DECLARATION – CODE OF CONDUCT**

I, Harish Sitaram Sharma, Director of the Company, do hereby declare that all the Board members and Senior management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to requirements of para D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**Place: Mumbai**  
**Dated: 30-05-2019**

**Harish Sitaram Sharma**  
**DIN: 07332874**  
**Director**

**AUDITORS COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE****To the members of DJS Stock and Shares Limited**

We have reviewed the compliance of conditions of Corporate Governance by DJS Stock and Shares Limited for the year ended 31<sup>st</sup> March, 2019 as stipulated in para E of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange:

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance in all material respect as stipulated in the above mentioned Listing Agreement.

We 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.

**For Satya Prakash Natani & Co.**  
**Chartered Accountants**  
**Firm Registration No. : 115438W**

**Satya Prakash Natani**  
**Partner**  
**Membership No.: 048091**

**Place: Mumbai**  
**Dated: 30-05-2019**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To,**  
**The Members of**  
**DJS Stock and Shares Limited**  
 Shop No. 2, First Floor, Building No. 45-47,  
 Pavalam Street, Big Bazaar, Coimbatore TN-641001.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s **DJS Stock and Shares Limited** having **CIN L67120TZ1994PLC005030** and having registered office at **Shop No. 2, First Floor, Building No. 45-47, Pavalam Street, Big Bazaar, Coimbatore TN-641001.** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), BSE as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>SR. NO.</b>	<b>NAME OF DIRECTORS</b>	<b>DIN</b>	<b>DATE OF APPOINTMENT</b>
1	MANOJ KUMAR MORE	00040190	15/05/2011
2	GOVIND SIDDA CHAVAN	03125806	14/02/2014
3	HARISH SITARAM SHARMA	06479629	14/03/2013
4	BHARAT RAMANLAL PANDYA	06485239	14/03/2013
5	SHWETA BHARADWAJA	08114392	26/04/2018
6	ANISH KUMAR RAM KISHORI SAWARNYA	08154578	28/06/2018

I further hereby inform that, ensuring the eligibility for the appointment / continuity of Director on the Board is the responsibility of the Company. Our responsibility is to issue this certificate based on verification of documents and information available in the public domain. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nitesh Chaudhary**  
**Practicing Company Secretary**  
**CP No.: 16275**

**Nitesh Chaudhary**  
**Proprietor**  
**FCS No. 10010**

**Place: Mumbai**  
**Date: 30/05/2019**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MACRO ECONOMY: REVIEW AND OUTLOOK**

Goldilocks 2017 gave way to a volatile 2018. Rise of trade tensions between the US and China impacted the business sentiments, while US Fed's monetary tightening contributed to the global liquidity tightening. This liquidity tightening amid relatively high levels of global debt slowed down the growth momentum in the global economy in the second half of 2018.

Against this backdrop of tightening global liquidity coupled with rising crude oil prices, India witnessed a reversal in capital flows and a Balance of Payments (BoP) squeeze, thus putting pressure on exchange rate. At the same time, default by an AAA rated entity in September 2018, further impacted the sentiments in the money markets, leading to a near-freeze at one point. Bond spreads shot up significantly and risk appetite among NBFCs weakened, with focus shifting to preserving liquidity rather than chasing growth. However, as BoP situation improved and rupee stabilised towards end of 2018, RBI began to inject liquidity into the banking system. In addition, Fed's unexpectedly dovish tilt in January 2019, also supported flows to Emerging Markets.

However, these interim market dislocations impacted India's growth momentum. Exports slowed down in a broad-based manner, while liquidity tightening and NBFCs' risk aversion impacted pockets of leveraged consumption such as cars, two wheelers and commercial vehicles. However, there are segments in the economy which are holding up quite well. For example, infrastructure/construction growth is running at a healthy pace helped by government spending.

### **Overall Outlook**

While global growth has been moderating for last six months, there are early signs of stabilisation. If there is any rebound in global growth, India's exports are likely to benefit. On the domestic front, monetary policy transmission is the key monitorable. Also, the political rhetoric is shifting towards stimulating the rural economy, which augurs well for the consumption pockets of the economy. Expansionary monetary and fiscal policy, both together, is a rare event and is expected to provide a significant boost to the economy. Even banking sector NPA problems are largely behind us, helped by Insolvency & Bankruptcy Code (IBC), and government has made significant progress on PSU banks recapitalisation.

Therefore, it is expected that economic activity should start to gain traction gradually during the course of FY20 though the first half may be muted. The downside risk arises from the way oil prices behave on how the US sanctions against Iran pan out, how the ongoing US China trade war ends and a sharper than expected slowdown in the global economy, which may hurt not only exports but also capital flows and sentiments.

### **Segment-wise/Product-wise Performance**

Your Company has only one reporting segment. The revenue for the year was Rs. 123.21 lakh and incurred loss of Rs. 456.43 lakh for the year.



**Outlook**

The markets presently are volatile and how sooner it will get stabilized is not easy to predict. However, with the industry's increasing preparedness, the evolving opportunities can be better harvested.

**Risk Management**

Risk management is integral part of business for the Company. The good risk management practices of the Company have facilitated navigating through environmentally turbulent times. While we have been managing various risks, a need for holistic approach to risk management led us to embrace yet another long journey towards Enterprise Risk Management (ERM). This we believe would strategically benchmark our practices to the best in class levels in ensuing years.

**Internal Control System**

Your Company has a planned internal control system through internal checks and reviews it periodically to strengthen it and safeguard Company's assets. Management Information System is given upmost importance.

**Financial Performance w.r.t. Operational Performance**

During the year under review, the Company has earned Total Revenue of Rs. 134.20 lakh in comparison to Rs. 80.44 lakh during the previous year. The Company has incurred a loss of Rs. 456.43 Lakhs in comparison to profit of Rs. 7.68 lakh during the previous year. The profitability was adversely affected due to onetime loss on impairment of investment.

**Safety, Health and Environment**

Your Company as a matter of policy gives greater importance to safety, health and environment and also ensures compliance with applicable legislative requirements.

**Human Resources**

Your Company recognizes the importance of Human Resource in achieving its objectives and strategies as human resource plays an important role in the success and growth of Company. Your company gives priority in honing and utilizing their skills through in house training programs.

**Key Financial Ratios:**

In accordance with the Securities and Exchange Board of India (Listing Obligations and disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	F.Y. 2018- 2019	F.Y. 2017- 2018
Debtors Turnover Ratio <sup>1</sup>	Not Applicable	
Inventory Turnover Ratio <sup>2</sup>	Not Applicable	
Interest Coverage Ratio <sup>3</sup>	Not Applicable	
Current Ratio <sup>4</sup>	144%	154%
Debt Equity Ratio <sup>5</sup>	Not Applicable	
Operating Profit Margin (%) <sup>6</sup>	Not Applicable	
Net Profit Margin (%) <sup>7</sup>	9%	10%
Return On Net-worth (%) <sup>8</sup>	1%	1%

1. The company is a stock broker; therefore this ratio is not applicable to the company.
2. The company is a stock broker; therefore this ratio is not applicable to the company.
3. The Company does not have not long term debt; therefore this ratio is not applicable to the company.
4. No significant change in the ratio.
5. The Company does not have any long term debt; therefore this ratio is not applicable to the company.
6. Due to the nature of business of the company, this ratio is not applicable to the company.
7. No significant change in the ratio.
8. No significant change in the ratio.

### **Cautionary Statement**

The report contains forward looking statements describing expectations, estimates, plans or words with similar meaning. Your Company's actual result may differ from those projected depending on various factor. Your Company cannot guarantee that the assumptions and estimates in the forward looking statements are accurate or will be realized.

**CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATION:**

*[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]*

I, **Anish Kumar Sawarnya**, Chief Financial Officer and Director of the Company, to the best of my knowledge and belief, certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2019 and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I have reviewed the internal controls and procedures, and to the best of my knowledge and information, I affirm that the Company has adequate internal controls and procedures.
- (d) Based on my knowledge and information:
  - (i) There has not been any significant changes in internal control over financial reporting during the financial year ended 31<sup>st</sup> March, 2019;
  - (ii) There has not been significant changes in the accounting policies during the financial year ended 31<sup>st</sup> March, 2019
  - (iii) I have not become aware of any significant fraud or involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

**Place: Mumbai**  
**Dated: 30<sup>th</sup> May, 2019**

**Anish Kumar Sawarnya**  
**Chief Financial Officer**