



DJS Stock and Shares Ltd.

5th Annual Report



DJS Stock and Shares Limited

Board of Directors

Sri Padmakant D Shah
Chairman
Sri Prakash D Shah
Managing Director
Sri Devang M Shah
Sri K. Annamalai
Sri Javantilal P Shah
Sri Bhagawathi Prasad
Sri Chandan Parmar
Sri Amit P Bhansali
Sri Shoresh P Shah
Sri Nitin A Bhrahmabhatt

Auditors

P Mahendran B.Sc FCA
Chartered Account
Coimbatore

Bankers

Global Trust Bank Ltd.,
Oriental Bank of Commerce Ltd
Bank of America
Centurian Bank Ltd

Head Office

43.V.B. Gandhi Marg
Opp. Oriental Bank of Commerce
Fort. Mumbai - 400 023

Regd. Office

14, Arts College Road
Coimbatore - 641 018

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Notice of the 5th Annual General Meeting

Notice is hereby given that the Fifth Annual General Meeting of the shareholders of the Company will be held on Monday, the 27th September, 1999 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 consider, approve and adopt the Profit and Loss Account of the Company for the year ended 31st March 1999, the Balance sheet as at that date and the report of the Board of Directors and Auditor.
2. To appoint a Director in the place of Sri Padmakant Devidas Shah who retires by rotation and being eligible, Offers him self for reappointment.
3. To appoint a Director in the place of Sri Chandan Parmar who retires by rotation and being eligible, offers himself for reappointment.
4. To appointment a Director in the place of Sri Shohesh P. Shah who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the close of the Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Coimbatore
30.7.1999

By order of the Board
for DJS Stock and Shares Limited
(Sd.) Padmakant D Shah
Chairman

- Note :
1. A member is entitled to attend and vote at the meeting is also entitled to appoint proxy(ies) and such proxy(ies) need not be a member(s). A proxy form is enclosed. A proxy to be valid should be properly filled in and signed by the member after affixing necessary stamp and should be lodged at the registered office of the company atleast fortyeight hours before the commencement of the meeting.
 2. Change of address if any, should be notified to the company at its registered office promptly. Members are also requested to send in their latest specimen signature in order to avert difficulty in transfer of their shares.
 3. The share transfer Books of the Company shall remain closed for 4 days from 24th September to 27th September 1999. (Both days inclusive)



Directors' Report

Dear Shareholders.

Your Board of Directors are glad to present to you the 5th Annual Report for the year ending 31st March, 1999. The financial highlights are as given below :

Financial Results	(Rs. in lakhs)	
	1998-99	1997-98
	(Rs. Lacs)	(Rs. Lacs)
Gross Income	229.47	179.00
Gross Profit	62.84	69.13
Depreciation	9.22	7.78
Profit before tax	53.62	61.35
Provision for taxation	15.90	20.50
Profit after tax	37.72	40.85
Profit available for appropriation	37.72	40.85
Appropriations		
General Reserve	—	—
Surplus carried over to	36.46	39.76
Balance sheet		

Dividend :

Your Board carefully considered of recommending a dividend. But due to persisting tight financial conditions prevailing in the stock market, it was decided to conserve the money at present and not to recommend a dividend for the year under report .

Prospects :

During the year under report, the Company has opened BOLT counters at Madurai and Chennai. Calcutta branch has become fully operational.

Your Directors are happy to inform you that the Company has obtained registration as Depository Participant with Central Depository Service Ltd.

Directors :

Sri V.K. Padmanabhan had resigned from the office of Director due to his personal pre-occupation. Your Board records its appreciation for the valuable services rendered by Sri Padmanabhan as Director on the Board of your Company since the formation of the Company.

Deposits :

The Company has not accepted any deposits from the public.

Particulars to be furnished under section 217 of the Companies Act, 1956.

The information required pursuant to provisions of section 217 (2-A) of the Companies Act, 1956 read with Companies (particulars of employees) rules, 1975 will not apply to the company as there was no employee in receipt of remuneration of Rs.6,00,000/- p.a. or Rs.50,000 per month during the period under review.

Cash Flow Statement :

The cash Flow statement and the Financial figures with the projected one in the Prospectus issued in the Public Issue with explanation for variation, as prescribed by SEBI is annexed hereto and forms part of this report.

Acknowledgement

The Board of Directors acknowledge with gratitude the valuable support extended by the clients, Shareholders, SEBI, Financial Institutions, Mutual Funds, Stock Exchanges, Foreign Institutional Investors and Bankers. The Board also records its appreciation of the co-operation, dedication and support extended to the Company by all the staff.

Coimbatore
30.7.1999

For and on Behalf of the Board of Directors
(Sd.) Padmakant D Shah
Chairman



Auditors' Report

To
The Shareholders of
DJS STOCK AND SHARES LIMITED

I have audited the accounts of DJS Stock and Shares Limited, Coimbatore for the period ended 31st March, 1999 and the attached Balance Sheet at 31st March 1999 and the Profit and Loss account ended that date annexed thereto.

In my opinion and to the best of my information and according to the explanations given to me, the said accounts along with the notes and the accounting policy statement give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- 1) In the case of Balance Sheet, of the company's affairs as at the end of the financial year.
and
- 2) In the case of the Profit and Loss Account, of the profit for the period.

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.

In my opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from my examination of those books.

In my opinion, the Balance Sheet and the Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

The Company's Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of Accounts. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board under Section 227(4A) of the Company's Act, 1956 in so far as they are applicable to this company, I have to report further as under:

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the Management and no material discrepancies have been noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- iv) No material discrepancies have been noticed on physical verification of stocks as compared to the books records.
- v) According to the information and explanation given to me and on the basis of examination of stocks, stock valuation is fair and proper and is in accordance with the normally accepted accounting principles.
- vi) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and or from the Companies under the same management as defined under

sub-section (1-B) of Section 370 of the Companies Act 1956.

- vii) The company has not granted any loans to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the Companies under the same management as defined under Sub-section 1B of section 370 of the Companies Act, 1956.
- viii) The Company has not granted any loans or advances in the nature of loans to any other party.
- ix) In my opinion, and in accordance with the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company.
- x) In my opinion, the transactions of purchase of goods and sale of goods, services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the period to Rs,50000 or more in respect of each party were made at prices which were reasonable having regard to prevalent market prices for such goods or the prices at which transactions for similar goods have been made with other parties.
- xi) The Company has not accepted Fixed Deposits from the public:
- xii) The Company has an internal Audit System commensurate with its size and nature of its business.
- xiii) The provisions of Provident Fund and Employee's State Insurance are not applicable to the company.
- xiv) In my opinion, there was no amount outstanding on 31 March, 1999, in respect of un-disputed Income-tax, Wealth-tax, Sales-tax, Customs duty and Excise duty which were due for more than six months from the date they became payable.
- xv) According to the information and explanations given to me and the records of the company examined by me, no personal expenses have been charged to Revenue Account.
- xvi) The Company is not a sick industrial company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (special provisions) Act, 1985.
- xvii) In my opinion, and according to information and explanations given to me, there are no damaged goods.
- xviii) The Company has not granted any loans & advances on the basis of security, by way of pledge of shares, debentures and other securities.
- xix) The Company is maintaining proper records for transactions and contracts of its dealings in shares, securities and other investments. Timely entries have been made therein.

The other provisions of the "Manufacturing and Other Companies (Auditors Report) Order, 1988" are inapplicable to this Company.

Coimbatore
30.07.1999

P. Mahendran B.Sc., FCA
Chartered Accountant



Balance Sheet as at 31st March, 1999

		31.03.99	31.03.98
		Rs.	Rs.
LIABILITIES			
SHARE HOLDERS FUNDS	A	5,03,04,000	5,03,04,000
RESERVES & SURPLUS	B	1,59,02,242	1,22,55,966
TOTAL		6,62,06,242	6,25,59,966
ASSETS			
FIXED ASSETS	C	1,64,56,924	1,66,85,920
CURRENT ASSETS	D	11,76,78,263	10,47,14,383
Less: CURRENT LIABILITIES & PROVISIONS	E	6,83,83,906	5,93,86,288
		6,57,51,281	6,20,14,015
MISCELLANEOUS EXPENDITURE	F	4,54,961	5,45,950
TOTAL		6,62,06,242	6,25,59,966
Notes to the accounts and significant accounting policies	G		

The Schedules referred to above form an integral part of the Balance Sheet

As per my report even dated

(Sd.) Sri P.Mahendran, FCA
Chartered Accountant

Coimbatore
30.07.99

(Sd.) Sri Padmakant Devidas Shah
Chairman

(Sd.) Sri K.Annamalal
Whole time Director

(Sd.) Sri Prakash Devidas Shah
Managing Director



Profit and Loss Account for the year ended 31st March, 1999

	Schedule	31.03.99 Rs.	31.03.98 Rs.
INCOME			
Income from operations	H	1,81,02,798	1,67,85,611
Dividend and other Income	I	48,44,487	11,14,866
		<u>2,29,47,285</u>	<u>1,79,00,477</u>
EXPENDITURE			
Share Trading Expenses	L	9,64,415	7,72,701
Brokerage Paid		17,31,705	11,88,830
Stock Exchange & Expense	K	16,64,113	19,37,591
Administrative Expenses	J	76,41,818	47,26,558
Bank Charges & Interest	M	20,72,299	22,56,932
Licence fees and Taxes	N	3,69,557	89,395
Audit Fee		15,000	15,000
Depreciation		9,22,213	7,78,011
Bad debts		22,04,315	—
		<u>1,75,85,435</u>	<u>1,17,65,021</u>
NET PROFIT		53,61,850	61,35,456
Add: Balance B/F.		1,22,55,966	82,79,004
		<u>1,76,17,816</u>	<u>1,44,14,461</u>
Appropriations			
Donations		23,501	17,504
Preliminary expenses written off		90,990	90,991
Provision for Taxes		15,90,000	20,50,000
Proposed dividend		—	—
Loss on sale of asset		11,083	—
		<u>17,15,574</u>	<u>21,58,495</u>
Balance carried down to Balance Sheet		1,59,02,242	1,22,55,966
Notes to the accounts and accounting policies	G		

The Schedules referred to above form an integral part of the Profit and loss account

As per my report even dated

(Sd.) Sri P.Mahendran, FCA
Chartered Accountant

Coimbatore
30.07.99

(Sd.) Sri Padmakant Devidas Shah
Chairman
(Sd.) Sri K.Annamalai
Whole time Director

(Sd.) Sri Prakash Devidas Shah
Managing Director



Schedules Annexed to the Accounts

31.03.98 Rs.		31.03.99 Rs.
SCHEDULE - A		
	Share Capital	
	Authorised	
10,00,00,000	1,00,00,000 Equity shares of Rs.10 each	10,00,00,000
	Issued, Subscribed and fully paidup	
5,03,04,000	50,30,400 Equity Shares of Rs.10 each	5,03,04,000
<u>5,03,04,000</u>		<u>5,03,04,000</u>
	RESERVES AND SURPLUS	
1,22,55,966	Profit & Loss A/c	1,59,02,242
<u>1,22,55,966</u>	TOTAL	<u>1,59,02,242</u>

SCHEDULE - D		
CURRENT ASSETS, LOANS & ADVANCES		
2,22,83,912	Advances & Deposits	3,50,46,151
2,580	Stamps on Hand	4,500
	DEBTORS:	
	Outstanding for more than six months (Considered Good)	11,47,365
28,53,007	Others	5,34,68,809
4,39,93,020	CASH AND BANK BALANCES:	
	Cash on hand	2,07,995
45,871	Cash at Bank	90,86,417
79,04,613	Stock on trade	1,87,17,026
2,76,31,380		
<u>10,47,14,383</u>	TOTAL	<u>11,76,78,263</u>

Schedule C: Fixed Assets

Sl. No.	Name of the Assets	Cost as on 01.04.98	Addition	Deletion	Total Cost as on 31.03.99	Depreciation			W.D.V as on 31.03.99	W.D.V as on 31.03.98	
						upto 31.03.98	for the year	with upto 31.03.99			
		1	2	3	4	5	6	7	8	9	10
1.	Stock Exc.Mem.Card	10200000.00	0.00	0.00	10200000.00	0.00	0.00	0.00	0.00	10200000.00	10200000.00
2.	Office Equipments:	3918323.65	744300.00	64000.00	4596623.65	902564.28	640613.20	12917.00	1530260.48	3068363.17	3015759.37
3.	Furniture & Fittings	2411491.58	0.00	0.00	2411491.58	148139.51	152484.00	0.00	300603.51	2110888.07	2263352.07
4.	Motor Car	1359330.00	0.00	0.00	1359330.00	152521.41	129136.00	0.00	281657.41	1077672.59	1206808.59
	Total	17889145.23	744300.00	64000.00	18569445.23	1209225.20	922213.20	12917.00	2112521.40	16456923.83	16685920.03



31.03.98
Rs.

31.03.99
Rs.

SCHEDULE - E

CURRENT LIABILITIES & PROVISIONS

Current Liabilities & Provisions		
4,91,93,188	Current Liabilities	5,66,38,052
96,50,000	Provisions	
5,43,100	Provisions for Taxation	1,12,40,000
	Provisions for expenses	5,05,854
5,93,86,288	TOTAL	6,83,83,906

SCHEDULE - F

MISCELLANEOUS EXPENDITURE

6,36,942	Preliminary Expenses	5,45,951
90,991	Less: Written Off	90,990
5,45,951	TOTAL	4,54,961

SCHEDULE - H

INCOME FROM OPERATIONS

1,64,18,400	Brokerage	1,76,57,801
3,67,212	Income from Trading	4,44,997
1,67,85,612	TOTAL	1,81,02,798

SCHEDULE - I

DIVIDEND AND OTHER INCOME

94,619	Dividend Received	1,55,772
9,95,273	Interest Received	44,31,809
24,939	Other Income	2,56,906
11,14,831	TOTAL	48,44,487



31.03.98
Rs.

31.03.99
Rs.

SCHEDULE - L

SHARE TRADING EXP

—	Contribution to customer Protection	250
19273	Brokers Contingency	38801
147420	Share transfer	133739
450446	Stock Exchange expense	612376
13127	Dividend & stamp	147501
—	Depository charges	31748
630266		964415

SCHEDULE - K

STOCK EXCHANGE EXPENSES

1267743	Transaction charges	748789
469811	Vsat charges	494348
66415	Trade Guarantee	132310
133623	Stamp Duty	249864
—	Bolt Expenses	38802
1937592		1664113

SCHEDULE - J

ADMINISTRATIVE EXPENSES

23,06,835	Salaries & Bonus	33,42,718
3,13,125	Traveling Expenses	4,59,837
3,00,592	Repairs & Maintenance	8,27,724
4,43,718	Electricity Charges	3,75,206
5,63,712	Postage, Telegraph & Telephone	9,13,972
88,000	Rent	96,200
78,899	Insurance Charges	1,38,979
82,200	Legal & Professional Charges	28,975
1,60,215	General Expenses	8,94,478
3,07,832	Printing & Stationery	3,81,701
29,453	Sales Promotion	10,861
47,978	Staff Welfare	1,69,167
47,26,559	TOTAL	76,41,818



31.03.98
Rs.

31.03.99
Rs.

SCHEDULE - M

BANK CHARGES AND INTEREST

406645	Bank Guarantee fee	448950
38247	Bank Charges	254594
1812041	Interest paid	1368755
2256933		2072299

SCHEDULE - N

LICENCE AND TAXES

28450	Listing fee	37050
20000	SEBI Registration Fee	65000
39745	Service tax	51187
124250	Membership fee	174500
—	Professional fee	41820
212445		369557

As per my report even dated

(Sd.) Sri Padmakant Devidas Shah
Chairman

(Sd.) Sri P.Mahendran, FCA
Chartered Accountant

(Sd.) Sri K.Annamalai
Whole time Director

Coimbatore
30.07.99

(Sd.) Sri Prakash Devidas Shah
Managing Director



SECHEDULE - G

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

Financial Statements are prepared under historical costs conventions 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 31-03-1999 where valued at cost or market prices whichever is lower.

5. Managerial Remuneration

	31.3.99 Rs. Lakhs	31.3.98 Rs. Laks
Salary	4.8	—
Contribution to product & other funds	—	—
Perquisites	—	—
	<u>4.80</u>	<u>Nil</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, as amended vide notification dated 16-12-93 issued by the Central Government.

7. Contingent Liabilities

Guarantees given by the Company's Bankers on behalf of the Company is amounting to Rs.385 lakhs.

8. 10,00,000 equity shares of Rs.10/- each was issued for purchasing BSE Membership card.

9. Previous year figures have been regrouped and reclassified wherever necessary.

As per my report even dated

(Sd.) Sri Padmakant Devidas Shah
Chairman

P. Mahendran, FCA
Chartered Accountant

(Sd.) Sri K. Annamalai
Whole-Time-Director

Coimbatore
30.07.1999

(Sd.) Sri Prakash Devidas Shah
Managing Director



CASH FLOW STATEMENT

	31.03.99	31.03.98
A. Cash Flow from Operative Activities:		
Net Profit before Tax and ExtraOrdinary items	5361850	6135457
Adjustments for Deprection	922213	778011
Operating Profit before Working Capital Chag	6284063	6913468
Adjustments for:		
Trade and other Receivable	(-)18792607	(-)33807576
Inventories	(+) 8914354	(-) 6400690
Trade Payable	(+) 7407618	(+)42334566
	(-) 2470635	(+) 2126300
Cash Generated from operations	3813428	9039768
Direct Taxes Paid	1741698	(-) 2083800
Cash Flow Before Extraordinary items	2071730	6955968
Extraordinary items	23501	17504
Net Cash from Operating Activities	2048229	6938464
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	744300	15010641
Sale of Fixed Assets	40000	—
Net Cash used in Investing Activities	704300	15010641
C. Cash Flow from Financing Activities:		
Increase in Share Capital	—	10000000
Dividends Paid	—	—
Net Cash Increase in Financing Activities	—	10000000
Net Increase\Decrease in Cash and Cash Equivalents	1343929	(1927831)
Cash and Cash Equivalents as at 01.04.98 (Opening Balance)	7950484	6022653
Cash and Cash Equivalents as at 31.03.99 (Closing Balance)	9294412	7950484

30.07.1999
Coimbatore

Sri Padmakant Devidash Shah
Chairman

Sri K. Annamalai
Whole-Time-Djrector

Sri Prakash Devidash Shah
Managing Director

Auditors 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, 1999 and found the same to be in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges.

Coimbatore
30.07.1999

(Sd.) P. MAHENDRAN F.C.A.,
Chartered Accountant



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 181-5030 State Code: 18
Balance Sheet Date : 31st day of March, 1999.

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 : 6,62,06,242 Total Assets : 6,62,06,242

Sources of Funds

Paid up Capital : 5,03,04,000 Reserves & Surplus : 1,59,02,242
Secured Loans : NIL Unsecured Loans : NIL

Application of Funds

Net Fixed Assets : 1,64,56,924 Investments : NIL
Net Current Assets : 4,92,94,357 Misc. Expenditure : 4,54,961
Accumulated Losses : NIL

IV. Performance of Company (Amount In Rs.)

Turnover : 2,29,47,285 Total Expenditure : 1,75,85,435
Profit/Loss Before Tax: (+)53,61,850 Profit/Loss Aftertax: (+) 37,71,850
Earning Per Share in Rs 0.75 Dividend rate % : —

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

Item Code (ITC Code) :
Product
Description : Shares and Securities.

As per my report even dated

(Sd.) Sri Padmakant Devidas Shah
Chairman

(Sd.) P. Mahendran, FCA
Chartered Accountant

(Sd.) Sri K. Annamalal
Whole time Director

Coimbatore
30.7.1999

(Sd.) Sri Prakash Devidas Shah
Managing Director
