



DJS Stock and Shares Limited

Eighth Annual Report

DJS Stock and Shares Limited

14, Arts College Road
Coimbatore - 641 018



DJS Stock and Shares Limited

Board of Directors

Sri Prakash D Shah
Managing Director
Sri Bhagawati Prasad
Sri K. Annamalai
Whole-time Director
Sri Chandan Parmar
Sri Amit P Bhansali
Sri Shohesh P Shah

Auditors

P Mahendran B.Sc FCA
Chartered Accountant
Coimbatore - 18

Bankers

Oriental Bank of Commerce Ltd.
Global Trust 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 To All Shareholders

Notice is hereby given that the **EIGHTH Annual General Meeting** of the Shareholders of the Company will be held on Monday, the 30th September 2002 at 04.30 P.M. at the registered Office of the Company at 14, Arts College Road, Coimbatore 641 018 to transact the following business :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31-03-2002 with Schedules, the Profit and Loss Account for the year ended on that date with schedules, the Director's Report and the Auditor's Report thereon.
2. To re-elect a Director in place of Sri Bhagawathi Prasad, who retires by rotation at this meeting and being eligible offers himself for re-election.
3. To re-elect a Director in place of Sri Sohesh P. Shah, who retires by rotation at this meeting and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification, the following resolution as Ordinary resolution.
Resolved that Sri Jayanthi Lal P. Shah be and is hereby appointed Director of the Company liable to retire by rotation.
6. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution
Resolved that Sri Ajay Madanlal Gupta be and is hereby appointed Director of the Company liable to retire by rotation.
7. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution
Resolved that Sri Ashwin R. Shah be and is hereby appointed Director of the Company liable to retire by rotation.
Resolved that pursuant to Section 198, 269, 309, 310, 314 and Schedule XIII of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors for their making payment of remuneration of a consolidated monthly salary of Rs.20,000/- to Sri Amit P. Bhansali as Whole-time Director for a period of 3 years with effect from 01-02-2002.
Resolved further that Sri Amit P. Bhansali shall not be entitled to any sitting fees for attending the Board meetings.

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

Prakash D. Shah
Managing Director

Place: Coimbatore

Date : 26.08.2002

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT INSTEAD OF HIMSELF TO ATTEND AND VOTE ONE OR MORE PROXY(IES) AND SUCH PROXY(IES) NEED NOT BE A MEMBER. A PROXY FORM IS ENCLOSED.
 2. A proxy to be valid should be duly filed in and affixed with requisite stamp and lodged with the Company's Registered Office atleast 48 hours before the commencement of the meeting.
 3. The Register of Members and Share Transfer Registers of the Company will remain closed from 28th September 2002 to 30th September, 2002 (both days inclusive).
 4. Members are requested to notify change of address, if any, promptly in order to serve them better.
 5. Explanatory statement pursuant to Section. 173(2) of the Companies Act, 1956 is enclosed and forms part of this Notice.
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Annexure to Notice

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 which form parts of this Notice.

ITEM NO.5

Sri. Jayanthilal P. Shah was appointed as Director by your Board on 31-10-2001. He was a very able Director and his services were valuable for your Board. A special notice from a member proposing him for Directorship pursuant to Section 257 of the Companies Act, 1956 has been received. Sri Jayanthilal P. Shah may be deemed to be interested in the resolution to the extent of his appointment and sitting fees, if any payable to him. No other Director is interested in the resolution.

ITEM NO.6

Sri Ajay Madanlal Gupta is a Chartered Accountant and was appointed as Director by your Board on 30-04-2001. He was a very able Director and his services were valuable for your Board. A special notice from a member proposing him for Directorship pursuant to Section 257 of the Companies Act, 1956 for appointment as Director has been received. Sri Ajay Madanlal Gupta may be deemed to be interested in the resolution to the extent of his appointment and sitting fees, if any payable to him. No other Director is interested in the resolution.

ITEM NO.7

Sri Ashwin R. Shah was appointed as Director by your Board on 30-04-2001. He was a very able Director and his services were valuable for your Board. A special notice from a member proposing him for Directorship pursuant to Section 257 of the Companies Act, 1956 has been received. Sri Ashwin R. Shah may be deemed to be interested in the resolution to the extent of his appointment and sitting fees, if any payable to him. No other Director is interested in the resolution.

ITEM NO.8

Your Board has fixed a consolidated monthly remuneration of Rs.20,000/- with effect from 01-02-2002 to Sri Amit P. Bhansali as Whole-Time Director. As per provisions of Section 314 read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders in a General Meeting by way of special resolution is required. Hence this resolution is proposed. None of the Director is interested in the resolution.



Directors' Report

Your Directors hereby present the **Eighth Annual Report** together with the Audited Accounts for the Period ended 31st March 2002.

FINANCIAL PERFORMANCE

	2001-2002	2000-2001
	(Rs. in lakhs)	
Gross Income	126.28	250.27
Gross Profit	24.14	44.98
Depreciation	12.64	13.75
Profit before Taxes	11.50	31.23
Provision for Taxes	2.89	9.75
Provision for net Deferred Taxes Liability	7.19	-
Profit available for appropriation	8.61	21.47

ABOUT THE INDUSTRY

The Indian Share market has become dull with no immediate hope for revival. The investors have vanished from the market with no public issue worth the name coming out. With the RBI tightening norms for financing to Share market sector the working has become very difficult. Added to this the difficulty is the Rolling settlement which requires immediate payouts. However, this has reduced speculation in the market.

REVIEW OF OPERATIONS

Your management hopes, that barring unforeseen circumstances, favorable results will be obtained by your company in the immediate future and the Company will overcome its present difficulties and better days are ahead for it and its shareholders.

FUTURE PROSPECTS

Your Company is trying to increase its area of operation by setting up more terminals. The main income being brokerage and service charges. It is expected that the market would improve in the current year.

DIRECTORS

Mr. Bhagawathi Prasad and Mr. Sohesh P. Shah retire at the ensuing Annual General Meeting and being eligible, are seeking re-appointment as Directors. During the year Sri Chandan Parmar resigned. Your Board wish to record its appreciation for the valuable services rendered by him. Sri Jayanthilal P. Shah has been appointed as Director. The Board had fixed a consolidated monthly remuneration of Rs.20,000/- to Sri Amit P. Bhansali, Whole-time Director. Necessary proposals are appearing elsewhere in the Report. Similarly, Sri. Ajay Gupta and Sri. Aswin R. Shah were co-opted by your Board. Your Board find their service is useful. Necessary resolutions are proposed in the Report elsewhere.

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.

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 2002 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.

INFORMATION REQUIRED AS PER LISTING AGREEMENT WITH STOCK EXCHANGES

Cash Flow Statement is enclosed.

ACKNOWLEDGEMENT

Your Directors wish to express their full appreciation for their valuable support extended by the Clients, SEBI, Financial Institutions, Mutual Funds, Stock Exchanges, Foreign Institution Investors and Bankers. 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.

CORPORATE GOVERNANCE REPORT

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

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

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

POSITION OF BOARD OF DIRECTORS

Sl. No.	Name of the Directors	Position	Other Directorships
1.	Sri. Prakash D. Shah	Chairman - Promoter	1
2.	Sri. Jayanthilal P. Shah	Director - Promoter	-
3.	Sri. Bhagawathi Prasad	Non-Executive - Independent	1
4.	Sri. K. Annamalai	Whole-time Director	-
5.	Sri. Sohesh P. Shah	Whole-time Director	1
6.	Sri. Amit P. Bhansali	Whole-time Director - Independent	1
7.	Sri. Chandan Parmar*	Director - Independent	-

* Resigned w.e.f. 03-11-2001



AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of DJS STOCK AND SHARES LIMITED

1. I have reviewed the implementation of Corporate Governance by DJS STOCK AND SHARES LIMITED (the company) during the year ended 31st March 2002, with the relevant records and documents maintained by the company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions on Corporate Governance is the responsibility of the Management. My examination was limited to review the 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.
I further state that such compliance is neither an assurance as to the future viability of Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.
3. 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.
4. On the basis of my review and according to the information and explanations provided to me, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have been complied with in all material respect by the Company.

Coimbatore
26.08.2002

P. MAHENDRAN , B.Sc., F.C.A.
Chartered Accountant

BOARD MEETINGS AND ATTENDANCE

Four Board meetings were held on 30.04.2001, 31.07.2001, 31.10.2001, 31.01.2002 during the period April 1, 2001 to March 31, 2002.

Details of attendance of each Director at the meeting of the Board and General Meeting during the financial year ended March 31, 2002.

Sl. No	Directors	Board Meeting				Last AGM attended
		30-04-2001	31-07-2001	31-10-2001	31-01-2002	29.09.2001
1.	Sri. Prakash D.Shah	Yes	Yes	Yes	Yes	Yes
2.	Sri. Jayanthilal P. Shah	Yes	Yes	Yes	Yes	No
3.	Sri. Bhagawathi Prasad	Yes	Yes	Yes	Yes	No
4.	Sri. K. Annamalai	Yes	Yes	Yes	Yes	Yes
5.	Sri. Sohesh P. Shah	Yes	Yes	Yes	Yes	No
6.	Sri. Amit P. Bhansali	Yes	Yes	Yes	Yes	Yes
7.	Sri. Chandan Parmar*	Yes	Yes	Yes	—	—

*Resigned w.e.f. 3.11.2001

Details of attendance of each Director at the meeting of various Committees of the Board held during the financial year ended March 31, 2002.

Director	Audit Sub Committee	Investors' Grievance and Share Transfer Committee
Bagawathi Prasad	3	K. Annamalai 14
Chandan Parmar*	2	
Ajay Madanlal Gupta	3	
Aswin R Shah	3	

*Resigned w.e.f. 3.11.2001



APPOINTMENT OF DIRECTORS

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

Name of the Directors	Jayanthilal P Shah	Chandan Parmar*	Aswin R Shah	Ajay M Gupta	Shohesh P Shah
Date of Birth and Age	63	49	45	43	27
Date of appointment	27.04.1994	28.08.1995	30.04.2001	30.04.2001	29.09.1997
Expertise in specific functional areas	Share Market	Share Market	Share Market	Share Market	Share Market
Qualification	B.Com.	FCA	Graduate	FCA	MBA
Directorships in no. other companies	-	-	-	1	1
Committee/Executive positions held in other companies	None	None	None	None	None

*Resigned w.e.f. 3.11.2001

SHARE TRANSFER SYSTEM

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

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

DISTRIBUTION OF SHARE HOLDING (As on 31.03.2002)

Shareholding of nominal value of (Rs.)	Shareholders Number	Share Amount % to Total	In Rs.	% to Total
Upto to 5000	2371	98.83	77,67,000	15.44
5001 to 10000	12	0.50	9,30,000	1.85
10001 to 20000	3	0.13	4,29,000	0.85
20001 to 30000	1	0.04	2,50,000	0.50
30001 to 40000	3	0.13	10,37,000	2.06
40001 to 50000	2	0.08	9,26,000	1.84
50001 to 100000	2	0.08	17,27,000	3.43
100001 and above	5	0.21	3,72,38,000	74.03
Total	2399	100.00	5,03,04,000	100.00



AUDIT COMMITTEE

The Company has an Audit Committee since April 2001. The Committee consists of 3 independent Directors. No Executive Director is on the Committee.

The Audit Committee consists of

- (1) Sri. Bhagawathi Prasad
 - (2) Sri. Chandan Parmar *
 - (3) Sri. Ajay Madanlal Gupta
 - (4) Sri. Aswin R. Shah
- * Resigned w.e.f. 03.11.2001

Sri. Bhagawathi Prasad is the Chairman of the Audit Committee.

- a. The Audit Committee shall oversee financial reporting process and disclosures, review annual financial statements, review adequacy of Internal Audit function, related party transactions, review financial and risk management policies, oversee compliance with Stock exchange and legal requirements concerning financial statements, quarterly results, review Auditors qualifications (draft), compliance with accounting standards etc.

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

Date of Meeting	No. of Members present
30.04.2001	4
31.07.2001	4
31.10.2001	4
31.01.2002	3

INVESTOR GRIEVANCE CELL

Sri. K. Annamalai, Whole-Time Director of the Company has personally attended, share transfer and all grievances of the shareholders.

GENERAL BODY MEETING

Details of Annual General Meetings

Location and time, where last AGM was held:

AGM	Date	Location	Time
	29.09.2001	Registered Office	10.00 A.M.

DISCLOSURES

RELATED PARTY TRANSACTIONS

There were no material transactions with related parties during the year 2001-2002.



MEANS OF COMMUNICATION

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

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.

SHAREHOLDER'S INFORMATION ANNUAL GENERAL MEETING

Day and Date : Monday, 30-09-2002.
Time : 4.30 p.m.
Venue : Registered Office, 14, Arts College Road, Coimbatore-641 018.

FINANCIAL CALENDAR

Results announced : 26-08-2002
Posting of Annual Report : On or before 07-09-2002
Last date for receipt of proxy forms : Before 04-30 P.M. on 28-09-2002.
Announcement of Quarterly results : During last week of April, July, October, 2001 and January 2002.
Date of Book Closure for the purpose of Annual General Meeting : 28-09-2002 to 30-09-2002

SHARE PRICE MOVEMENT (BSE SENSEX)

Month 2001	Highest Rate (Rs.)	Date	Lowest	
			Rate (Rs.)	Date
April	5.00	20.04.2001	5.00	20.04.2001
May	5.20	08.05.2001	5.00	03.05.2001
June	5.00	01.06.2001	5.00	01.06.2001
July	4.05	19.07.2001	4.00	18.07.2001
August	3.50	23.08.2001	3.50	23.08.2001
September	—	—	—	—
October	3.50	19.10.2001	3.50	19.10.2001
November	3.50	20.11.2001	3.50	20.11.2001
December	—	—	—	—
2002				
January	—	—	—	—
February	—	—	—	—
March	3.50	15.03.2002	3.50	15.03.2002

SHARE DETAILS

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

Coimbatore Stock Exchange Limited,

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

The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Stock Code 511636



The Company has paid the annual listing fees for the year 2001-2002 to the above Stock Exchanges.

DEPOSITORY SYSTEM

The company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (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) either through the NSDL or 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 82% of the shares of the company have been dematerialised.

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN allotted to our Company is INE234E01019

TRANSFER AGENTS

The Company itself is acting as a Transfer Agent.

ADDRESS FOR CORRESPONDENCE

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

Sri. K. Annamalai
Whole-time Director
DJS Stock and Shares Limited
14, Arts College Road
Coimbatore-641 018



Auditors' Report

TO THE MEMBERS OF DJS STOCK AND SHARES LIMITED

1. I have audited the attached Balance Sheet of DJS Stock and Shares Ltd, as at March 31, 2002 and the Profit and Loss Account of the Company 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 on my audit.
2. I conducted my audit in accordance with 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 reasonable basis for my opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board 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 in paragraph 3 above, I report that:
 - (a) 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.
 - (b) 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 the books;
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In my opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors, as on March 31, 2002, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on March 31, 2002 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) 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;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002;
and
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

Coimbatore
26.08.2002

P. Mahendran B.Sc., FCA
Chartered Accountant



Annexure to the Auditor's Report :

- 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) According to the information and explanations given to me no transactions for the purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs50000/- (Rupees fifty thousand) or more, in respect of each party were made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956;
- 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) According to the records of the company, ESI have been regularly deposited during the year with the appropriate authorities.
- xiv) In my opinion, there was no amount outstanding on 31 March, 2002, 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 (Auditor's Report) Order, 1988" are inapplicable to this Company.

Coimbatore
26.08.2002

P. Mahendran B.Sc., FCA
Chartered Accountant



Profit and Loss Account for the year ended 31.03.2002

INCOME	Schedule	31.03.2002	31.03.2001
Income from operations	H	90,22,411	2,00,27,283
Dividend and other Income	I	36,05,542	49,99,667
		<u>1,26,27,953</u>	<u>2,50,26,950</u>
EXPENDITURE			
Administrative Expenses	J	60,70,435	80,89,581
Stock Exchange & Expense	K	22,27,476	69,84,461
Brokerage Paid		2,62,800	9,25,211
Bank Charges & Interest	L	3,48,587	18,63,512
Licence fees and Taxes	M	2,87,938	5,78,407
Audit Fee		18,375	23,250
Depreciation		12,64,218	13,75,390
Bad debts		9,97,614	20,65,063
		<u>1,14,77,443</u>	<u>2,19,04,875</u>
NET PROFIT		11,50,510	31,22,076
Add: Balance B/F.		3,08,84,740	2,91,76,392
		<u>3,20,35,250</u>	<u>3,22,98,467</u>
APPROPRIATIONS			
Donations		72,200	27,052
Preliminary expenses written off		90,890	90,990
Provision for Taxes		2,88,500	9,75,000
Income tax of earlier years		—	3,20,685
Provision for net deferred Tax Liability		7,19,083	—
		<u>11,70,773</u>	<u>14,13,727</u>
Balance carried down to Balance Sheet		3,08,64,477	3,08,84,740
Notes to the accounts and accounting policies	G		

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

As per my report even dated

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

Coimbatore
26.08.2002

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

(Sd/-) Sri. K.Annamalai
Whole time Director



Balance Sheet as on 31.03.2002

	SCHEDULES	31.03.2002 Rs.	31.03.2001 Rs.
LIABILITIES			
SHARE CAPITAL	A	5,03,04,000	5,03,04,000
RESERVES AND SURPLUS	B	3,15,83,560	3,08,84,740
TOTAL		8,18,87,560	8,11,88,740
ASSETS			
	SCHEDULES	31.03.2002	31.03.2001
FIXED ASSETS	C	1,49,22,762	1,70,07,082
CURRENT ASSETS	D	12,20,20,284	13,38,21,580
Less: CURRENT LIABILITIES & PROVISIONS	E	5,52,37,477	6,99,12,902
		6,67,82,807	6,39,08,678
MISCELLANEOUS EXPENDITURE	F	1,81,991	2,72,980
TOTAL		8,18,87,560	8,11,88,740
Notes to the accounts and significant accounting policies	G		

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

As per my report even dated

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

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

Coimbatore
26.08.2002

(Sd/-) Sri. K.Annamalai
Whole time Director



SCHEDULES ANNEXED TO THE ACCOUNTS

31.03.2001 Rs.	31.03.2002 Rs.
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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

SCHEDULE B :

RESERVES AND SURPLUS		
3,08,84,740	Profit And loss a/c	3,08,64,477
	Net deferred Tax Liability	7,19,083
<u>3,08,84,740</u>		<u>3,15,83,560</u>

Schedule C: Fixed Assets

Sl. No.	Name of the Assets	Cost as on 01.04.2001	Addition	Deletion	Total Cost as on 31.03.2002	Depreciation			W.D.V as on 31.03.2002	W.D.V. as on 31.03.2001	
						upto 31.03.2001	for the year	with drawn			
		1	2	3	4	5	6	7	8	9	10
1.	Stock Exc.Mem.Card	1,02,00,000.00	0.00	0.00	1,02,00,000.00	0.00	0.00	0.00	0.00	1,02,00,000.00	1,02,00,000.00
2.	Office Equipments	72,96,023.00	2,18,804.00	22,30,121.00	52,84,706.00	34,63,771.00	9,81,766.00	12,61,509.00	31,84,228.00	21,00,478.00	38,41,477.00
3.	Furniture & Fittings	28,02,591.00	0.00	84,794.00	27,17,797.00	6,28,640.00	1,73,975.00	14,701.00	7,87,914.00	19,29,883.00	21,64,726.00
4.	Motor Car	11,41,856.00	0.00	0.00	11,41,856.00	3,40,977.00	1,08,477.00	0.00	4,49,454.00	6,92,402.00	8,00,879.00
	Total	2,14,40,470.00	2,18,804.00	23,14,915.00	1,93,44,359.00	44,34,388.00	12,64,210.00	12,76,010.00	44,21,596.00	1,49,22,763.00	1,70,07,082.00
	As At 31.03.2001	2,00,80,601.00	13,22,921.00	0.00	2,14,03,523.00	30,21,051.00	13,75,390.00	0.00	43,96,441.00	1,70,07,082.00	1,70,59,550.00



SCHEDULE D

CURRENT ASSETS, LOANS & ADVANCES 31.03.2002		
2,03,23,692	Advances & Deposits	1,94,65,844
3,507	Stamps on Hand	2,000
	DEBTORS:	
40,52,671	Outstanding for more than six months (Considered Good)	1,87,93,044
6,86,58,854	Others	6,54,18,983
	CASH AND BANK BALANCES:	
4,09,043	Cash on hand	1,80,782
3,51,59,820	Cash at Bank	1,61,48,307
52,13,993	Stock on trade	20,11,324
<u>13,38,21,580</u>	TOTAL	<u>12,20,20,284</u>

SCHEDULE E

CURRENT LIABILITIES & PROVISIONS		
	CURRENT LIABILITIES & PROVISIONS	
6,08,33,987	Current Liabilities Provisions	4,65,12,281
79,82,000	Provisions for Taxation	82,70,500
10,96,915	Provisions for Expenses	4,54,696
<u>6,99,12,902</u>	TOTAL	<u>5,52,37,477</u>

SCHEDULE- F

MISCELLANEOUS EXPENDITURE		
3,63,970	Preliminary Expenses	2,72,981
90,990	Less: Written Off	90,990
<u>2,72,980</u>	TOTAL	<u>1,81,991</u>

SCHEDULE- H

INCOME FROM OPERATIONS		
1,91,09,009	Brokerage	86,92,815
9,18,274	Income from Trading	3,29,596
<u>2,00,27,283</u>	TOTAL	<u>90,22,411</u>

SCHEDULE -I

DIVIDEND AND OTHER INCOME		
4,41,601	Dividend Received	2,94,275
35,18,940	Interest Received	22,63,303
10,39,126	Other Income	10,47,964
<u>49,99,667</u>	TOTAL	<u>36,05,542</u>

**SCHEDULE - J**

ADMINISTRATIVE EXPENSES		
29,67,936	Salaries & Bonus	24,97,974
5,62,265	Travelling Expenses	2,37,535
17,28,598	Repairs & Maintenance	17,71,816
5,60,082	Electricity Charges	2,97,563
8,93,759	Postage, Courier & Telephone	5,05,918
2,37,000	Rent	49,500
1,26,791	Insurance Charges And taxes	1,04,279
2,00,730	General Expenses	59,867
5,25,562	Printing & Stationery	3,59,142
	Software Expenses	5,200
94,763	Sales Promotion	24,567
86,590	Staff Welfare	33,773
1,05,505	Legal and professional charges	1,23,301
<u>80,89,581</u>	TOTAL	<u>60,70,435</u>

SCHEDULE - K

STOCK EXCHANGE EXPENSES		
35,02,883	Transaction charges	1,97,496
5,35,640	Vsat charges	6,61,658
2,69,632	Stamp Duty	2,05,519
56,401	Share transfer	1,500
13,96,188	Stock Exchange expense	7,13,574
12,23,717	Depository charges	4,47,729
<u>69,84,461</u>		<u>22,27,476</u>

SCHEDULE - L

BANK CHARGES AND INTEREST		
11,07,876	Bank Guarantee fee	2,19,413
2,73,602	Bank Charges	34,507
4,82,034	Bank interest	94,667
<u>18,63,512</u>		<u>3,48,587</u>

SCHEDULE-M

LICENCE FEES AND TAXES		
29,000	Listing fee	15,000
4,34,407	SEBI Registration fee	36,000
1,15,000	Membership fee	1,17,680
	SEBI Turnover tax	1,19,258
<u>5,78,407</u>		<u>2,87,938</u>

As per my report even dated

(Sd/-) Sri. Prakash Devidas Shah
Managing Director**(Sd/-) P.Mahendran, FCA**
Chartered AccountantCoimbatore
26.08.2002**(Sd/-) Sri. K.Annamalai**
Whole time 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 31-03-2002 were valued at cost or market prices whichever is lower.

5. Managerial Remuneration :

	31.3.2002 Rs.Lakhs	31.3.2001 Rs.Lakhs
Salary	5.70	5.40
Contribution to Provident & other funds	—	—
Perquisites	—	—
	<u>5.70</u>	<u>5.40</u>

5. 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.

6. Contingent Liabilities

Guarantees given by the Company's Bankers on behalf of the Company is amounting to Rs.200 lakhs.

8. No Person is eligible for getting Gratuity

9. Auditor's Remuneration:

Audit Fee : Rs. 18375.00
Tax Audit Fee : Rs. 7500.00

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

As per my report even dated

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

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

Coimbatore
26.08.2002

(Sd/-) Sri. K.Annamalai
Whole time Director

**CASH FLOW STATEMENT**

	31.03.2002	31.03.2001
A. Cash Flow from Operative Activities:		
Net Profit before Tax and Extra-ordinary items	1150510	3122075
Adjustments for Depreciation	1264218	1375390
Operating Profit before Working Capital Charges	2414728	4497465
Adjustments for:		
Trade and other Receivable	-10641147	(-) 5335670
Inventories	+ 3202669	(+) 22540992
Trade Payable	-15951435	(-) 20219831
	-23389913	(-) 3014509
Cash Generated from operations	-20975185	1482956
Direct Taxes Paid	- 288500	1264292
	-21263685	218664
Cash Flow Before Extra-ordinary items	-21263685	218664
Extra-ordinary items	72200	27052
Net Cash from Operating Activities	-21335885	191612
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	- 218804	
Sale of Fixed Assets	+2314915	
Net Cash used in Investing Activities	+2096111	1322922
C. Cash Flow from Financing Activities:		
Increase in Share Capital	—	—
Dividends Paid	—	—
Net Cash Increase in Financing Activities	—	—
Net Increase\Decrease in Cash and Cash Equivalents	-19239774	(-) 1131310
Cash and Cash Equivalents as at 01.04.2001 (Opening Balance)	35568863	36700173
Cash and Cash Equivalents as at 31.03.2002 (Closing Balance)	16329089	35568863

26.08.2002
Coimbatore

K. Annamalai
Whole-Time-Director

Prakash Devidas Shah
Managing 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 31,2002 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
26.08.2002

P. MAHENDRAN F.C.A.,
Chartered Accountant

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 181-5030 State Code : 18
Balance Sheet Date : 31st day March, 2002

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 : 8,18,87,560 Total Assets : 8,18,87,560

Sources of Funds

Paid up Capital : 5,03,04,000 Reserves & Surplus : 3,15,83,560
Secured Loans : NIL Unsecured Loans : NIL

Application of Funds

Net Fixed Assets : 1,49,22,762 Investments : NIL
Net Current Assets : 6,67,82,807 Misc. Expenditure : 1,81,991

IV Performance of Company (Amount in Rs.)

Turnover : 1,26,27,953 Total Expenditure : 1,14,77,443
Profit/Loss before Tax : 11,50,510 Profit/Loss Aftertax : 6,98,820
Earning Per share in : Rs. 0.14 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/-) P.Mahendran, FCA
Chartered Accountant

Coimbatore
26.08.2002

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

(Sd/-) Sri. K.Annamalai
Whole time Director

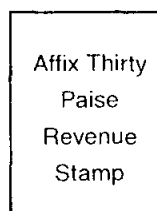
DJS STOCK AND SHARES LIMITED

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 appointof
.....residing in the district of
as my / our proxy to vote for me / our behalf in the Eighth Annual General Meeting of the
company to be held on Monday, the 30th September, 2002 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 at least fortyeight hours before the commencement of the meeting, i.e. before 4.30 a.m. on 28th September, 2002.

BOOK POST

To

If undelivered please return to :

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

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