



**DJS Stock and Shares Limited**

**Ninth 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 K. Annamalai**  
Whole-time Director

**Sri Jayanthilal P. Shah**  
**Sri Bhagawathi Prasad**  
**Sri Amit P Bhansali**  
**Sri Sohesh P Shah**  
Whole-time Director

**Sri Ajay M. Gupta**  
**Sri Ashwin R. Shah**

## Auditors

**P Mahendran B.Sc FCA**  
Chartered Accountant  
Coimbatore - 18

## Bankers

UTI Bank Ltd.  
Oriental Bank of Commerce Ltd.

## Head Office

8/B, Shirin Sohrab Palace  
Nariman Road, Vile Parle (E),  
Mumbai - 400 057

## Regd. Office

14, Arts College Road  
Coimbatore - 641 018

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## Notice To All Shareholders

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Notice is hereby given that the **Ninth Annual General Meeting** of the Shareholders of the Company will be held on **Tuesday, the 30th September 2003 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 31-03-2003 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 Amit P. Bhansali, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
3. To re-elect a Director in place of Sri Jayanthilal P. Shah, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
4. To re-elect a Director in place of Sri Ajay M. Gupta, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
5. To appoint Auditors and fix their remuneration from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

### SPECIAL BUSINESS

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

Resolved that pursuant to Section 198, 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 Sohesh P. Shah as Whole-time Director for a period of 2 years with effect from 29-09-2003.

Resolved further that Sri Sohesh P. Shah 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 : 05.07.2003

### 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 for 4 days from 27th September 2003 to 30th September, 2003.
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.



## **Annexure to Notice**

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

### **ITEM NO.5**

Sri. Sohesh P. Shah has been working as Whole-time Director since September, 2001 vide appointment made by you for two years. Considering his appointment, your Board thought to appoint him for a further period of 2 years from 30th September, 2003. Hence this resolution.

Sri Prakash D. Shah and Sri Sohesh P. Shah may be deemed to be interested in the resolution. Other than this no other Director is interested.



## Directors' Report

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Your Directors hereby present the **Ninth Annual Report** together with the Audited Accounts for the Period ended 31st March 2003.

### FINANCIAL PERFORMANCE

	2002-2003	2001-2002
	(Rs. in lakhs)	
Income	56.99	90.22
Other Income	27.94	36.06
Total Expenditure before Interest & Depreciation	77.88	98.65
Profit /Loss before Interest and Depreciation	7.05	27.63
Finance Charges	3.60	3.48
Depreciation	11.41	12.64
Preliminary Exps Written Off	0.91	0.91
Net Profit / (Loss)	(8.87)	10.59

### REVIEW OF OPERATIONS

The shortage of working capital funds to the company continued in the current year also due to various measures undertaken by RBI on Banks. This was aggravated with T-2 rolling settlement. Your Company was careful in choosing clients so that the bad debts are very minimum. The Company could not venture into new investment which entail higher risks. Because of Industrial Recession, the market last year witness very poor volume.

### FUTURE PROSPECTS

Your Company is planning to set up some more terminals. It also wishes to increase its DP operation net work.

### DIRECTORS

Mr. Amit P. Bhansali, Mr. Jayanthilal P. Shah and Mr. Ajay M. Gupta retire at the ensuing Annual General Meeting and being eligible, are seeking re-appointment as Directors. The Board had appointed Mr. Soheh P. Shah, as Whole-time Director and fixed a consolidated monthly remuneration of Rs.20,000/- subject to your approval. Necessary proposals are appearing elsewhere in the Report.

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.

### 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 2003 and of the loss of the company for the 12 months period ended that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on going concern basis.

## **CONSERVATION OF ENERGY; RESEARCH & DEVELOPMENT**

The information required under Section 217 (2)(e) is not applicable since it is a share broking Company.

## **CASH FLOW STATEMENT AS PER LISTING AGREEMENT**

Cash Flow Statement is enclosed.

## **ACKNOWLEDGEMENT**

Your Directors wish to express their full appreciation for the assistance and co-operation extended to us by its bankers, its valued Clients, SEBI, Mutual Funds, The Stock Exchange, Mumbai, National Stock Exchange of India Ltd., and Financial Institutions and all others. Your Directors wish to thank the esteemed shareholders for extending their unstinted co-operation and support in the Management of the Company.

The Directors also wish to thank all the employees for their support and co-operation.

## **CORPORATE GOVERNANCE REPORT**

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

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

- 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**

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



## 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  
05.07.2003

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

### BOARD MEETINGS AND ATTENDANCE

Seven Board meetings were held on 30.04.2002, 31.07.2002, 26.08.2002, 31.10.2002, 02.12.2002 and 03.03.2003 during the period April 1, 2002 to March 31, 2003.

Details of attendance of each Director at the meeting of the Board and General Meeting during the financial year ended March 31, 2003.

Sl. No	Directors	Board Meeting							Last AGM attended
		30-04-02	31-07-02	26.08.03	31-10-02	02-12-02	31-01-03	03.03.03	29.09.02
1.	Sri. Prakash D.Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
2.	Sri. Jayanthilal P. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
3.	Sri. Bhagawathi Prasad	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
4.	Sri. K. Annamalai	Yes	Yes	Yes	Yes	No	Yes	No	Yes
5.	Sri. Sohesh P. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
6.	Sri. Amit P. Bhansali	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
7.	Sri. Ajay M. Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
8.	Sri. Ashwin R. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

Details of attendance of each Director at the meeting of various Committees of the Board held during the financial year ended March 31, 2003.

Director	Audit Sub Committee Attendance	Investors' Grievance and Share Transfer Committee
Sri Bagawathi Prasad	3	K. Annamalai 12
Sri Ajay M. Gupta	3	
Sri Ashwin R Shah	3	



## APPOINTMENT OF DIRECTORS

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

Name of the Directors	Sri. Amit P. Bhansali	Sri. Jayanthilal P Shah	Sri. Ajay M Gupta
Date of Birth and Age	39	63	43
Date of appointment	29.09.1997	30.09.2002	30.09.2002
Expertise in specific	Share Market	Share Market	Share Market
Qualification	CA	B.Com	CA
Directorships in no. other companies	One	None	One
Committee/Executive positions held in other companies	None	None	One

## SHARE TRANSFER SYSTEM

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

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

## DISTRIBUTION OF SHARE HOLDING (As on 31.03. 2003)

Range	Shareholders Number	No. of Shares In Rs.	% to Total
1 to 5000	2333	7,39,000	14.69
5001 to 10000	6	42,600	0.84
10001 to 20000	1	13,200	0.26
20001 to 30000	1	25,000	0.49
30001 to 40000	-	-	-
40001 to 50000	2	92,600	1.84
50001 to 100000	-	-	-
100001 and above	1	41,18,000	81.86





## CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2002 TO 31.03.2003

A. Cash flow from Operating Activities :-

Enclosed

B. Cash flow from investing Activities :-

## DEPOSITORY SYSTEM

## DEMATERIALISATION OF SHARES

Shares in the Company can be held and traded in electronic form and SEBI has made it compulsory for the Company to deliver in dematerialisation form only. So far 41,70,200 shares have been dematerialised.

## SHAREHOLDING PATTERN AS ON 31.03.2003

Category	% of shareholding
Directors and Associates	76.19
Other Body Corporate.	7.39
Nationalised Banks/Mutual Funds. Public.	- 16.43
Total	100.00

## MEANS OF COMMUNICATION

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

## STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES

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

## SHAREHOLDER'S INFORMATION ANNUAL GENERAL MEETING

Day and Date : Tuesday, 30-09-2003  
Time : 4.30 p.m.  
Venue : Registered Office, 14, Arts College Road, Coimbatore-641 018.  
Book Closures : 27.09.2003 to 30.09.2003

## 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 28-09-2003.  
Announcement of Quarterly results : During last week of April, July, October,2002  
and January 2003.  
Book Closure : 28-09-2002 to 30-09-2002



## SHARE PRICE MOVEMENT (BSE SENSEX)

Month 2001	Highest Rate (Rs.)	Date	Lowest	
			Rate (Rs.)	Date
April	Nil	Nil	Nil	Nil
May	Nil	Nil	Nil	Nil
June	Nil	Nil	Nil	Nil
July	Nil	Nil	Nil	Nil
August	Nil	Nil	Nil	Nil
September	Nil	Nil	Nil	Nil
October	Nil	Nil	Nil	Nil
November	Nil	Nil	Nil	Nil
December	Nil	Nil	Nil	Nil
<b>2003</b>				
January	Nil	Nil	Nil	Nil
February	Nil	Nil	Nil	Nil
March	4.00	05.03.2003	4.00	5.03.2002

## 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, Singanallur, 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 2002-2003 to the above Stock Exchanges.

### **Sri. K. Annamalai**

Whole-time Director

DJS Stock and Shares Limited

14, Arts College Road

Coimbatore-641 018

Phone : 2211487

Fax : 0422 - 2217930

e-mail : djsdbe@hotmail.com & annam123@eth.net

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

**Prakash D. Shah**

Managing Director

Place: Coimbatore

Date : 05.07.2003



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## CERTIFICATE

To the Members of DJS Stock and Shares Limited

I have examined the compliance of conditions of Corporate Governance by DJS Stock and Shares Limited for the year ended 31<sup>st</sup> March, 2003 as stipulated in the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore  
05-07-2003

**P. Mahendran**  
Chartered Accountant



## Auditors' Report

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### 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, 2003 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. 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, 2003, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on March 31, 2003 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, 2003;
  - (ii) In the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

Coimbatore  
05.07.2003

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 Rs.50,000/- (Rupees Fifty Thousand only) 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, 2003, 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) The Company has not granted any loans & advances on the basis of security, by way of pledge of shares, debentures and other securities.
- xviii) 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  
05.07.2003

P. Mahendran B.Sc., FCA  
Chartered Accountant



## Profit and Loss Account for the year ended 31.03.2003

INCOME	Schedule	31.03.2003	31.03.2002
Income from operations	H	5,698,948	90,22,411
Dividend and other Income	I	27,94,634	36,05,542
		<u>84,93,582</u>	<u>1,26,27,953</u>
<b>EXPENDITURE</b>			
Brokerage Paid		71,490	2,62,800
Stock Exch. Exp	K	1,979,077	2,227,476
Administrative Exp.	J	42,87,719	60,70,435
Bank Charges & Interest	L	3,60,516	3,48,587
Licence fees and Taxes	M	12,65,500	2,87,938
Audit Fee.		18,375	18,375
Loss on Sale of Assets		1,02,954	
Depreciation		11,41,041	12,64,218
Bad debts		62,985	9,97,614
		<u>92,89,657</u>	<u>1,14,77,443</u>
NET PROFIT		(796,075)	11,50,510
Add: Balance B/F.		3,08,64,477	3,08,84,740
Total		3,00,68,402	3,20,35,250
Add : Deferred Tax Asset		1,50,637	—
Less : Appropriation Donations		16,501	72,200
Preliminary expenses written off		90,990	90,990
Provision for Taxes		1,45,000	2,88,500
Income tax of earlier years		11,84,463	—
Provision for net deferred Tax Liability		14,36,954	7,19,083
		<u>28,782,085</u>	<u>30,864,477</u>
Balance carried down to Balance Sheet			
Basic earnings per share		(0.16)	0.22
Diluted earnings per share		(0.16)	0.22

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  
05.07.2003

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



## Balance Sheet as on 31.03.2003

	SCHEDULES	31.03.2003 Rs.	31.03.2002 Rs.
<b>SOURCES OF FUNDS</b>			
SHARE HOLDERS Funds	A	50,304,000	50,304,000
RESERVES AND SURPLUS	B	29,350,531	31,583,560
TOTAL		<u>79,654,531</u>	<u>81,887,560</u>
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS	C	13,900,267	14,922,762
INVESTMENTS	D	6,090,000	
CURRENT ASSETS	E	102,934,223	122,020,284
Less: CURRENT LIABILITIES & PROVISIONS	F	43,360,960	55,237,477
		<u>59,573,263</u>	<u>66,782,807</u>
MISCELLANEOUS EXPENDITURE	G	91,001	181,991
TOTAL		<u>79,654,531</u>	<u>81,887,560</u>
Notes to the accounts and significant accounting policies	N		

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

As per my report even dated

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

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

Coimbatore  
05.07.2003

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



## SCHEDULES ANNEXED TO THE ACCOUNTS

31.03.2002  
Rs.

31.03.2003  
Rs.

### SCHEDULE A

#### SHARE CAPITAL

##### Authorised

<u>100,000,000</u>	1,00,00,000 Equity shares of Rs.10 each	<u>100,000,000</u>
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##### Issued, Subscribed and fully paidup

<u>50,304,000</u>	50,30,400 Equity Shares of Rs.10 each	<u>50,304,000</u>
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<u>50,304,000</u>	<b>Total</b>	<u>50,304,000</u>
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### SCHEDULE B :

#### RESERVES AND SURPLUS

<u>30,864,477</u>	Profit And loss a/c	<u>28,782,085</u>
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<u>719,083</u>	Net deferred Tax Liability	<u>568,446</u>
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<u>31,583,560</u>	<b>Total</b>	<u>29,350,531</u>
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### Schedule C: Fixed Assets

Sl. No.	Name of the Assets	Cost as on 01.04.2002	Addition	Deletion	Total Cost as on 31.03.2003	Depreciation			W.D.V as on 31.03.2003	W.D.V as on 31.03.2002	
						upto 31.03.2002	for the year	with drawn			
		1	2	3	4	5	6	7	8	9	10
1.	Stock Exc.Mem.Card	1,02,00,000	0	0	1,02,00,000	0	0	0	0.00	1,02,00,000	1,02,00,000
2.	Office Equipments	52,84,706	3,21,500	0	56,06,206	31,84,228	8,83,631	0	40,67,859	15,38,347	21,00,478
3.	Furniture & Fittings	27,17,797	0	0	27,17,797	7,87,914	1,72,036	0	9,59,950	17,57,847	19,29,883
4.	Motor Car	11,41,856	0	4,09,040	7,32,816	4,49,454	85,374	2,06,086	3,28,742	4,04,074	6,92,402
	<b>Total</b>	<b>1,93,44,359</b>	<b>3,21,500</b>	<b>4,09,040</b>	<b>1,92,56,819.00</b>	<b>44,21,596</b>	<b>11,41,041</b>	<b>2,06,086</b>	<b>53,56,551</b>	<b>1,39,00,268</b>	<b>1,49,22,763</b>
	<b>As At 31.03.2002</b>	<b>2,14,40,470.00</b>	<b>2,18,804.00</b>	<b>23,14,915.00</b>	<b>1,93,44,359.00</b>	<b>44,33,388.00</b>	<b>12,64,210.00</b>	<b>2,06,086.00</b>	<b>44,21,596.00</b>	<b>1,49,22,763.00</b>	<b>1,70,07,082.00</b>





31.03.2002 Rs.		31.03.2003 Rs.
<b>SCHEDULE D</b>		
	<b>INVESTMENTS</b>	
	Un Quoted	
	In Equity Shares of the Companies under the Same Management	6,090,000
	<b>TOTAL</b>	<b>6,090,000</b>
<b>SCHEDULE E</b>		
	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
1,94,65,844	Advances & Deposits	13,774,958
2,000	Stamps on Hand	
	<b>DEBTORS:</b>	
1,87,93,044	Exceeding six months	1,77,53,486
6,54,18,983	Others	47,479,973
	<b>CASH AND BANK BALANCES:</b>	
1,80,782	Cash on hand	4,29,501
1,61,48,307	Cash at Bank	17,765,251
20,11,324	Stock on Hand	5,731,054
<u>12,20,20,284</u>	<b>TOTAL</b>	<u>1,02,934,223</u>
<b>SCHEDULE F</b>		
	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	
4,65,12,281	Current Liabilities	42,315,872
82,70,500	Provisions for Taxation	4,33,500
4,54,696	Provisions for Expenses	6,11,588
<u>5,52,37,477</u>	<b>TOTAL</b>	<u>43,360,960</u>
<b>SCHEDULE-G</b>		
	<b>MISCELLANEOUS EXPENDITURE</b>	
2,72,981	Preliminary Expenses	1,81,991
90,990	Less: Written Off	90,990
<u>1,81,991</u>	<b>TOTAL</b>	<u>91,001</u>
<b>SCHEDULE- H</b>		
	<b>INCOME FROM OPERATIONS</b>	
86,93,815	Brokerage	71,81,845
3,29,596	Income from Trading	(4,82,897)
<u>90,22,411</u>	<b>TOTAL</b>	<u>56,98,948</u>
<b>SCHEDULE -I</b>		
	<b>DIVIDEND AND OTHER INCOME</b>	
2,94,275	Dividend Received	1,47,741
22,63,303	Interest Received	12,54,448
10,47,964	Other Income	13,92,445
<u>36,05,542</u>	<b>TOTAL</b>	<u>27,94,634</u>

**SCHEDULE - J**

<b>ADMINISTRATIVE EXPENSES</b>		
24,97,974	Salaries & Bonus	19,86,462
2,37,535	Travelling Expenses	2,43,499
17,71,816	Repairs & Maintenance	7,10,063
2,97,563	Electricity Charges	3,57,742
5,05,918	Postage, Courier & Telephone	4,43,278
49,500	Rent	0.00
1,04,279	Insurance Charges And taxes	67,526
1,23,301	Legal and professional charges	91,225
59,867	General Expenses	82,107
3,59,142	Printing & Stationery	1,48,072
24,567	Sales Promotion	8,883
33,773	Staff Welfare	1,38,225
	Licence Tax & Registration Charges	5,637
5,200	Software Expenses	5,000
<u>60,70,435</u>	<b>TOTAL</b>	<u>42,87,719</u>

**SCHEDULE - K**

<b>STOCK EXCHANGE EXPENSES</b>		
4,03,015	Transaction charges	4,75,584
6,61,658	Vsat charges	2,64,405
1,500	Share transfer	
7,13,574	Stock Exchange expense	4,99,664
4,47,729	CDSL Expenses	5,14,370
	Demat transaction charges	2,25,054
<u>22,27,476</u>		<u>19,79,077</u>

**SCHEDULE - L**

<b>BANK CHARGES AND INTEREST</b>		
2,19,413	Bank Guarantee fee	2,25,721
34,507	Bank Charges	62,871
94,667	Bank interest	71,924
<u>3,48,587</u>	<b>TOTAL</b>	<u>3,60,516</u>

**SCHEDULE-M**

<b>LICENCE FEES AND TAXES</b>		
15,000	Listing fee	25,000
36,000	SEBI Registration fee	35,000
1,17,680	Membership fee	1,20,500
1,19,258	SEBI Turnover tax	1,085,000
<u>2,87,938</u>	<b>TOTAL</b>	<u>12,65,500</u>

As per my report even dated

**(Sd/-) Sri. Prakash Devidas Shah**  
Managing Director**(Sd/-) P.Mahendran, FCA**  
Chartered AccountantCoimbatore  
05.07.2003**(Sd/-) Sri. K.Annamalai**  
Whole time Director



## SCHEDULE-N

### Notes to the Accounts and Significant Accounting Policies

**1. Basis of Accounting**

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

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

**3. Fixed Assets**

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

**4. Inventory**

The securities available on hand as on 31-03-2003 where valued at cost or market prices whichever is lower.

**5. Managerial Remuneration :**

	31.3.2003 Rs.Lakhs	31.3.2002 Rs.Lakhs
Salary	7.8	5.7
Contribution to Provident & other funds	—	—
Perquisites	—	—
	<u>7.8</u>	<u>5.7</u>

**6. Depreciation**

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

7. Investments represents amount invested in 270000 Eq Shares of M/s. Padmakānth Devidas Securities Ltd and 120000 Eq Shares of M/s. Prakash Devidas Securities Ltd

**8. Contingent Liabilities**

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

9. No Person is eligible for getting Gratuity

**10. Auditor's Remuneration:**

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

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

12 In the past the Company had Disputed the fees payable to SEBI on the basis of the Annual Turnover In pursuance of SEBI (Stock Brokers & Sub Brokers ) Regulations 1992. The Honrable Supreme Court has decided the subject matter against the Stock Brokers, and accordingly the Company has paid Rs.10.85 Lakhs during the year and is accounted for during the current year The Balance payment on this account will be accounted for as and when the payments are made.

As per my report even dated

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

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

Coimbatore  
05.07.2003

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



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## CASH FLOW STATEMENT

	<b>31.03.2003</b>
Net loss as per profit and loss Statement	-796075
Less Donation made	-16501
Add Depreciation written off	1141041
Add Loss on sale of Assets	102954
	<hr/>
<b>FUNDS FROM OPERATIONS</b>	<b>431419</b>
Cash From operations	
Funds from operations	431419
Add Trade and other receivables	16689454
Less Inventories	-3719730
Less Trade payables and other current liabilities	-5223980
Cash From Operations	8177163

## CASH FLOW STATEMENT

<b>Cash from operating activity</b>	
Net tax from operating activity (from ordinary activities)	<b>8177163</b>
<b>Cash from investing activity</b>	
Investment in shares	
Purchase of Assets (computer)	
Sale of assets (car)	
Net cash from investing activity	<b>-6311500</b>
Cash from financing activity	<b>0</b>
	<hr/>
Increase in cash and cash equivalents during the year	<b>1865663</b>
Add Opening balances of cash and cash equivalents	<b>16329089</b>
	<hr/>
Closing Balance of cash and cash equivalents	<b>18194752</b>

05.07.2003  
Coimbatore

**K. Annamalai**  
Whole-Time-Director

**Prakash Devidas Shah**  
Managing Director

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### 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 31,2003 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  
07.05.2003

**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, 2003

### 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 : 7,96,54,531 Total Assets : 7,96,54,531

#### Sources of Funds

Paid up Capital : 5,03,04,000 Reserves & Surplus : 2,93,50,531  
Secured Loans : NIL Unsecured Loans : NIL

#### Application of Funds

Net Fixed Assets : 1,39,00,267 Investments : NIL  
Net Current Assets : 5,95,73,263 Misc. Expenditure : 91,001

### IV Performance of Company (Amount in Rs.)

Turnover : 84,93,582 Total Expenditure : 92,59,657  
Profit/Loss before Tax : 9,03,566 Profit/Loss After tax : 20,82,592  
Earning Per share in : NIL 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. Prakash Devidas Shah

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

Managing Director

Coimbatore  
05.07.2003

(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/We .....of.....  
residing in the district of .....being a member / members  
of the above named company hereby appoint .....of  
.....residing in the district of .....  
as my / our proxy to vote for me / our behalf in the Ninth Annual General Meeting of the  
company to be held on Tuesday, the 30th September, 2003 at the registered office of the  
company and any adjournment thereat.

Affix Thirty  
Paise  
Revenue  
Stamp

Place :

Date :

Note : Indian revenue Stamp of Rs.0.30 should be affixed in the form which should then be signed by the member. The form thus completed should be deposited at the Registered Office of the Company at 14, Arts College Road, Coimbatore - 641 018 atleast fortyeight hours before the commencement of the meeting, i.e. before 4.30 p.m. on 28th September, 2003.

BOOK POST

To

*If undelivered please return to :*

**DJS Stock and Shares Limited**

14, Arts College Road,  
Coimbatore - 641 018.