BOARD OF DIRECTORS

Mr. Nimesh N. Kampani — Chairman

Mr. Arunkumar R. Gandhi

Mr. M. R. Mondkar

Mr. Ashith N. Kampani

REGISTERED OFFICE

141, Maker Chambers - III,
Nariman Point,
Mumbai-400 021.

BANKERS

HDFC Bank Ltd.
Tulsiani Chambers,
Nariman Point,
Mumbai-400 021.

AUDITORS

M/s. Khimji Kunverji & Co.,
Chartered Accountants,
Mumbai.

SOLICITORS

M/s. Udwadia & Udeshi (Regd.),
Mumbai.

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Chakala, Andheri (East),
Mumbai - 400 099.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF J. M. SHARE & STOCK BROKERS LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 10, 2003 AT 3.30 P.M. AT KAMALNAYAN BAJAJ HALL, BAJAJ BHAVAN, GROUND FLOOR, NARIMAN POINT, MUMBAI - 400 021 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2003, the Balance Sheet as at that date and the reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. M R Mondkar, who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint the retiring Auditors and authorise the Board to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special resolution:

5. **"RESOLVED THAT** pursuant clause no. 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subsequent clarifications thereon issued by the Securities Exchange Board of India and subject to such other consents and approvals as may be required, the approval of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from The Delhi Stock Exchange Association Limited and The Stock Exchange, Ahmedabad."

   "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient in connection with the proposed delisting of equity shares from the above Stock Exchanges."

By order of the Board

NIMESH N KAMPANI
Chairman

Date: June 23, 2003

Registered Office:
141, Maker Chambers III
Nariman Point,
Mumbai 400 021.

NOTES:

a A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

b. The Register of Members of the Company will remain closed from Wednesday, September 3, 2003 to Wednesday, September 10, 2003 (both days inclusive).

c. Members while corresponding with the Company or its Registrars & Share Transfer Agents, M/s Sharepro Services are requested to quote their respective Folio Nos./Client IDs.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

In respect of Item No. 5

Presently the Company's equity shares are listed on The Stock Exchange, Mumbai (BSE), The Stock Exchange, Ahmedabad (ASE) and The Delhi Stock Exchange Association Limited (DSE). BSE is the regional Stock Exchange for the Company with nationwide trading terminals. It has been observed that the equity shares of the Company are rearly traded at ASE and DSE.

Further, the Company's equity shares are available for settlement in dematerialized form by all investors. With the extensive networking of BSE to other cities including Delhi and Ahmedabad, the investors have access to trading and deal in the Company's shares across the country. It is therefore felt that the continued listing with ASE and DSE does not provide any significant advantage to the shareholders of the Company and other investors.

In view of the above, the members are requested to consider and approve the proposed delisting of the Company's equity shares from ASE and DSE and pass the necessary resolution for the purpose.

The Board of Directors recommend passing of the Special Resolution proposed at item no.5 of the notice.

None of the Directors of the Company is in any way concerned or interested in the said Special Resolution.

By Order of the Board

NIMESH N KAMPANI
Chairman

Date: June 23, 2003

Registered Office:
141, Maker Chambers III
Nariman Point,
Mumbai-400 021

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Eighteenth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2003.

FINANCIAL HIGHLIGHTS

	For the year ended March 31, 2003 (Rs. in Lacs)	March 31, 2002 (Rs. in Lacs)
Income	**77.93**	536.02
Profit before Interest, Depreciation, Diminution in value of Investments and Tax	**51.29**	511.64
Interest	**0.81**	64.01
Gross Profit after Interest	**50.48**	447.63
Depreciation	**1.78**	1.97
Provision for Diminution in the Value of Investments	**45.00**	284.76
Profit before Tax	**3.70**	160.90
Provision for Current Tax	**0.30**	—
Provision for Deferred Tax	**0.24**	0.09
Short Provision for tax of earlier years (Net)	**0.36**	—
Profit after Tax	**2.80**	160.81
Adjustment for Deferred Tax Assets of earlier years	**—**	1.53
Balance Profit brought forward from previous year	**301.33**	240.91
Writeback of excess provision for Dividend of earlier years	**1.48**	—
Profit available for Appropriation	**305.61**	403.25

	For the year ended March 31, 2003 (Rs. in Lacs)	March 31, 2002 (Rs. in Lacs)
APPROPRIATIONS		
Proposed Dividend (previous year-subject to tax)	**112.47**	101.92
Dividend Tax	**14.41**	—
Balance Carried to Balance Sheet	**178.73**	301.33
	305.61	403.25

DIVIDEND:

Your Directors are pleased to recommend a dividend of 10% (Re.1.00 per share) (Previous year 9% - subject to tax) for the year ended March 31, 2003. The dividend, if declared, by the members at the ensuing Annual General Meeting, will be paid on or after September 15, 2003. The payment of dividend together with tax thereon will absorb Rs.126.88 lacs.

FINANCIAL HIGHLIGHTS:

The Gross Income reported by your Company during the year under review was Rs. 77.93 lacs as against Rs. 536.02 lacs for the previous year. The lower Gross Income can be attributed to the lower dividend income of Rs.5.95 lacs received by your Company as against Rs. 436.77 lacs in the previous year. After accounting for an interest of Rs. 0.81 lacs (Previous Year - Rs. 64.01 lacs) and the depreciation of Rs.1.78 lacs (Previous year - Rs. 1.97 lacs), your Company registered the Profit before tax of Rs.3.70 lacs as against Rs. 160.90 lacs during the previous year. The net profit after tax works out to Rs. 2.80 lacs.

DELISTING OF SHARES

It is proposed to delist your Company's equity shares from The Stock Exchange, Ahmedabad (ASE) and The Delhi Stock Exchange Association Limited (DSE). The Equity Shares of your Company will continue to remain listed on The Stock Exchange, Mumbai (BSE). BSE is the Regional Stock Exchange for your Company with nationwide trading terminals.

The equity shares of your Company will be voluntarily delisted from ASE and DSE in accordance with clause 5.2 of the

Securities And Exchange Board of India (Delisting of Securities) Guidelines, 2003 subject to the necessary approvals.

FIXED DEPOSITS:

Your Company has not accepted any deposits from shareholders/public during the year under review.

COMPLIANCE CERTIFICATE FROM THE AUDITORS:

Your Company has obtained a certificate from the statutory auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 (VIII) of the listing agreement, which along with the Corporate Governance Report is set out as an annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of your Company confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

DIRECTORS:

In accordance with Article 130 of the Articles of Association of the Company read with the provisions of the Companies Act, 1956, Mr. M R Mondkar, a director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. Accordingly an ordinary resolution reappointing him as a director of the Company forms part of the Notice convening the ensuing Annual General Meeting.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

The particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 on Conservation of Energy and Technology Absorption are not applicable to your Company. Your Company has neither earned nor spent any amount in foreign exchange during the year under review.

AUDITORS:

The retiring Auditors, namely, M/s Khimji Kunverji & Co, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are seeking their reappointment. Members are requested to consider their reappointment and authorise the Board to fix their remuneration for the year 2003-04.

PARTICULARS OF EMPLOYEES:

The information required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder is not furnished since your Company did not have any employee during the year under review.

ACKNOWLEDGEMENTS:

Your Directors thank the shareholders for the confidence reposed in the Company and look forward to their continued support.

On Behalf of the Board of Directors

NIMESH N KAMPANI
CHAIRMAN

Date: June 23, 2003

Registered Office:
141, Maker Chambers - III,
Nariman Point,
Mumbai 400 021.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2002-03

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

In the current scenario, Corporate Governance assumes significant importance in the functioning of any organisation. Corporate Governance is not something which could be legislated. It has to be implemented and practised by each individual person. The Board of Directors of your Company ensures implementation of the effective Corporate Governance by following best practices and standards. Your Company has implemented international best practices and sound govenance as means of effective control. It makes concerted efforts to enhance the shareholder value.

II. BOARD OF DIRECTORS

a. Composition of Board:

The Board of your Company comprises of eminent professionals having rich experience in the finance field. The Board functions as a full Board and through Committees constituted to oversee specific areas. As of March 31, 2003, the Board consisted of Mr.Nimesh N Kampani, Mr.Arunkumar R Gandhi, Mr. M R Mondkar and Mr.Ashith N Kampani. Out of the Directors on the Board as above not less than 50% of the Directors are Non-Executive and Independent.

All the above Directors have confirmed that they are not on the Board of any public companies, which have committed default under Section 274(1)(g) of the Companies Act, 1956.

None of the Directors is a member of more than 10 committees or a Chairman of more than 5 such committees.

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors for the year ended March 31, 2003 that may have potential conflict with the interests of your Company at large.

The names of the Directors, their attendance at Board Meetings and the number of other Directorships and Board Committee memberships held by them as at March 31, 2003 are given below:

Name of Director	Category	No. of Board Meetings attended during the year 2002-03	Whether attended the last AGM held on August 30, 2002	No of other Directorships		No of other Committees on which Member/ Chairman**	
				Public	Private	Chairman	Member
Mr. Nimesh N Kampani	Non Executive Chairman	5	Yes	10*	7	2	2
Mr. Arunkumar R Gandhi	Independent and Non Executive Director	5	Yes	13	1	3	5
Mr. M R Mondkar	Independent and Non Executive Director	6	Yes	—	2	—	—
Mr. Ashith N Kampani	Independent and Non Executive Director	5	Yes	—	1	—	—

* inclueds Foreign Companies

** The committees considered for the purpose of determining the limit are; Audit Remuneration and Share Grieving committees.

b. Board Meetings:

There were six Board Meetings held on the following dates during the financial year 2002-03. The time interval between the two Board Meetings did not exceed four months:

May 30, 2002 August 30, 2002

June 26, 2002 October 23, 2002

July 26, 2002 January 23, 2003

Mr. M R Mondkar retires by rotation at the ensuing General Meeting. He offers himself for reappointment.

Mr. Mondkar holds a Bachelors degree in Science and a degree in law. He has been one of the Non-Executive Directors since 1997. Mr. Mondkar has held various prestigious positions in organisations like ICICI Ltd. and J. M. Financial & Investment Consultancy Services Limited in the past. Mr. Mondkar is the Chairman of the audit committee of your Company. He is also on the Board of J. M. Financial & Investment Consultancy Services Private Limited and Mondkar Computers Private Limited.

III. COMMITTEES OF DIRECTORS

The Board has delegated specific matters to the committees of the Board set up for the purpose. These committees prepare the groundwork for decision making and report the same to the Board for its review and noting. The audit committee met three times during the year viz., June 26, 2002, October 23, 2002 and January 23, 2003.

a. Audit Committee

Composition

The Audit Committee comprises of three directors - Mr. M R Mondkar (Chairman), Mr. Nimesh N Kampani and Mr. Ashith N Kampani. Minutes of each audit committee meeting are tabled at and noted at the Board Meetings.

Brief description of terms of reference:

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of external audit. The role of the Audit Committee includes overseeing the financial reporting process to ensure proper disclosure in financial statements, recommending appointment/removal of external auditors and fixing their remuneration, reviewing the annual financial statements before submission to the Board, any changes in accounting policies and practices, major accounting entries, qualification in draft audit report, significant adjustment arising out of audit, the going concern assumption, compliance with accounting standards, stock exchange and legal requirements concerning financial statements, related party transactions that may have potential conflict of interest, review adequacy of internal control systems and findings of internal investigations, discussing the scope of audit with external auditors, post audit discussion to ascertain any area of concern, reviewing the Company's financial and risk management policies and looking into reasons of substantial defaults, if any, and the matter regarding for non-payment to shareholders and/or creditors, etc.

The audit committee met three times during the year viz., June 26, 2002, October 23, 2002 and January 23, 2003.

Sr. No.	Name of the Member	Category	Number of Meetings held during the year	Number of Meetings attended during the year
1	Mr. M R Mondkar	Non-Executive & Independent Director	3	3
2	Mr. Nimesh N Kampani	Non- Executive Director	3	3
3	Mr. Ashith N Kampani	Non-Executive & Independent Director	3	2

b. Shareholders'/Investors' Grievance Committee

The function of the Shareholders'/Investors' Grievance Committee includes redressal of shareholder and investor complaints regarding matters such as transfer of shares, non-receipt of dividends, dematerialisation/rematerialisation of shares, issue of duplicate/split certificates and other related matters. Share transfer formalities are attended once in a fortnight. The details of the share transfers are reported to the Board of Directors for its noting.

i. Composition:

The composition of the Shareholders'/Investors' Grievance Committee is as under:

Name of the Director	Category of Directorship
Mr. M R Mondkar (Chairman)	Non-Executive
Mr. Ashith N Kampani	Non-Executive

ii. Compliance Officer:

Mr. P K Choksi, one of the authorised persons is named by the Board as the Compliance Officer.
141, Maker Chambers III, Nariman Point, Mumbai - 400 021

iii. Status of Complaints:

Your Company had received 76 letters from its shareholders/investors regarding non-recipt of Dividend/interst, Share Certificates duly management and other related matters during the year. All these letters have been responder to the satisfaction of the shareholders/ investors. As of March 31, 2003, no complaints were pending. No share transfer requests were pending as of the said date.

c. Remuneration Committee

The Board has not constituted the Remuneration Committee, as there is no executive director in the Company. The Non-Executive Directors are paid sitting fees of Rs.500/- per Board Meeting attended by them. The particulars of the sitting fees paid to them during the year 2002-03 are given below:

Name of the Director	Sitting Fees Paid during the year 2002-03 (Rs.)
Mr. Nimesh N Kampani	2500
Mr. Arunkumar R Gandhi	2500
Mr. M R Mondkar	3000
Mr. Ashith N Kampani	2500

IV. GENERAL BODY MEETINGS

i. Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Resolution	Voting Pattern	Venue
2000	September 22, 2000	3.30 P.M.	Special	Show of hands	Kamalnayan Bajaj Hall Bajaj Bhavan, Nariman Point, Mumbai
2001	August 27, 2001	3.30 P.M.	Special	Show of hands	— do —
2002	August 30, 2002	3.30 P.M.	—	—	— do —

ii. Postal Ballot

No resolution was required to be passed by means of postal ballot during the year.

V. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The year 2002-03 was one of the most challenging years for the Indian Capital Market. The Capital Markets in India witnessed major changes with the market regulators announcing various measures like shortening of the Settlement Cycle from T+3 to T+2, introduction of Straight Through Process(STP), permitted additional stocks for trading in derivative segment, sector wise indexes and uniform settlement. The global economic slowdown kept the Capital Market subdued for most part of the year. Since the Capital Market remained subdued, there were not many public issues during the year.

Opportunities and Threats

Being a Securities Company, its opportunities and threats would be more specific to the ones which apply to the Companies operating in the Capital Market.

Segment-wise or Product-wise performance

Your Company is mainly engaged in securities activities which is considered as the only business segment. The geographical segments are not applicable to your Company.

Outlook

Your Company is a Securities Company having investments in Shares / Securities of other Companies and Mutual Fund units. It continues to hold 49% equity stake in JM Morgan Stanley Securities Private Ltd. (JMMSSPL). JMMSSPL is a SEBI registered stock broker having the memberships of the National Stock Exchange of India Ltd. and The Stock Exchange, Mumbai. It caters to Institutional Investors. The outlook of your Company is dependent on the performance of JMMSSPL in which it holds substantial equity stake.

Risk and Concerns

Your Company ensures adherence to best practices and has necessary internal systems and controls in place to manage the risks. However, as stated in the previous year's report, your Company is not an operating Company and hence it is not exposed to the risks specific to the business operations risk.

Internal Control Systems and their adequacy

As stated in previous paragraph, your Company has appropriate and adequate internal control systems. The existing systems and procedures helps in identifying the potential issues and problems, if any.

Financial Performance

As can be observed from the financials, your Company has reported the Gross Income of Rs. 77.93 lacs as against Rs. 536.02 lacs for the previous year. The lower income is on account of lower dividend income of Rs.5.95 lacs as against the dividend income of Rs. 436.77 lacs in the previous year. A sum of Rs.47.53 lacs was realised on account of net capital gains on sale of investments. After accounting for an interest of Rs. 0.81 lacs (Previous year-Rs. 64.01 lacs) and the depreciation of Rs. 1.77 lacs (Previous year - Rs. 1.97 lacs), your Company's profit before tax stood at Rs. 3.70 lacs as against Rs. 160.90 lacs in the previous year. The net profit after tax of Rs.0.90 lacs (Previous year - Rs.0.09 lacs) was Rs. 2.80 lacs as against Rs. 160.81 lacs in the previous year.

Human Resources

Your Company did not have any employee during the financial year 2002-03.

VI. DISCLOSURES

1. There are no materially significant transactions with related parties i.e., promoters and directors, their subsidiaries or relatives having any conflict of interest vis-à-vis the Company. The Related Party Disclosures form part of the Annual Report and is indicated at item no.11 in Notes to Accounts.
2. There have been no instances of non-compliance on any matter related to the Capital Market, during the last three years.

VII. MEANS OF COMMUNICATION

The Quarterly and Half Yearly Results of your Company were published in Free Press Journal (English Newspaper) and in Navshakti (Marathi Newspaper-Regional language).

Electronic Data Information Filing and Retrieval (EDIFAR)

As required by SEBI / Stock Exchanges, your Company has registered itself for 'Electronic Data Information Filing and Retrieval' (EDIFAR) with The Stock Exchange, Mumbai and has uploaded its Audited Results for the year ended March 31, 2003 on EDIFAR site.

Management Discussion and Analysis forms part of the Annual Report.

VIII. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and Time	September 10, 2003 at 3.30 p.m.
Venue	Kamalnayan Bajaj Hall, Bajaj Bhavan Nariman Point, Mumbai 400 021
Financial Calendar	Year ending on March 31st
Date of Book Closure	September 3, 2003 to September 10, 2003 (both days inclusive)
Dividend Payment Date	September 15, 2003.
Listing on Stock Exchanges	The Company's shares are currently listed on the following Stock Exchanges in India The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001

The Stock Exchange, Ahmedabad
Kamdhenu Complex, Opp. Sahajanand College,
Panjarapole, Ahmedabad - 380 015
The Delhi Stock Exchange Association Limited
DSE House, 3/1 Asaf Ali Road,
New Delhi - 110 002

It is proposed to delist your Company's equity shares from Ahmedabad and Delhi Stock Exchanges subject to necessary approvals.

The Company has paid the Annual Listing fees to each of the above Stock Exchanges for the financial year 2002-03

Stock Code

The Stock Exchange, Mumbai	523405
The Stock Exchange, Ahmedabad	28540
The Delhi Stock Exchange Association Ltd.	6021

Demat ISIN in NSDL and CDSL for equity shares INE780C01015

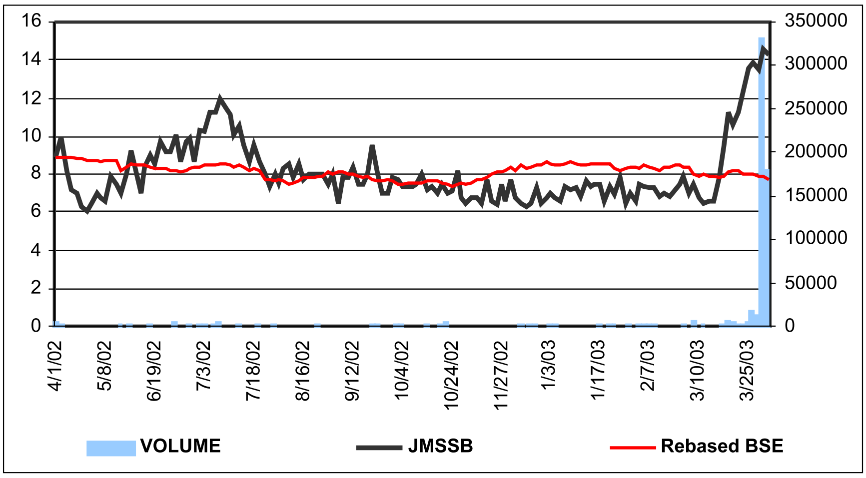
Market Price Information

Details about monthly high and low of closing prices and volume of shares of your company traded on The Stock Exchange, Mumbai (BSE) are given below.

Month	Open Rs.	High Rs.	Low Rs.	Close Rs.	No. of Shares Traded
April 2002	10	10.5	5.85	7	6415
May 2002	6.55	7.9	5.4	7.5	1500
June 2002	7	11	6.6	9.9	15525
July 2002	8.65	13.4	7.35	8	20350
August 2002	7.55	8.5	7.2	8	2784
September 2002	7.5	9.5	6.5	7.8	6100
October 2002	7.5	8	6.05	7.1	13950
November 2002	8.2	8.2	6.3	6.6	2702
December 2002	7.6	7.75	6.25	6.5	7300
January 2003	7	7.85	6.05	6.5	12405
February 2003	6.4	7.95	6	7.05	11793
March 2003	6.6	15.5	6.5	14.25	568057

Source: BSE data base

The performance of the Company's equity share relative to the BSE Sensitive Index (Sensex) is given in the chart below.



Registrars and Share Transfer Agents:

MUMBAI OFFICE	ANDHERI OFFICE
Sharepro Services, Investor Relation Centre, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021 Contact Person: Ms Pallavi - Tel. No. 2288 4528 Counter Timings: 10.00 a.m. to 5.00 p.m.	Sharepro Services, 3rd Floor, Satam Industrial Estate, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099 Contact Person: Mr. Raagesh - Tel Nos. 2821 5168 Counter Timings: 10.00 a.m. to 5.00 p.m.

Share Transfer System

The Company's investor related services are handled by Sharepro Services. The Share Transfer Committee Meetings are held on a fortnightly basis to consider the transfer of shares received by the Company. The equity shares of the Company are also being traded in electronic form. Physical share transfers are registered and the certificates thereof are returned within a stipulated period of time from the date of receipt, if the documents are complete and valid in all respects.

Information on Shareholding

i. Distribution of Shareholding

No of Shares held	Shareholders		Shares	
	Nos.	%age	Nos.	%age
0- 500	7026	90.88	1330693	11.75
501-1000	459	5.94	358960	3.17
1001-2000	117	1.51	175705	1.55
2001-3000	41	0.53	97950	0.86
3001-4000	17	0.22	62049	0.55
4001-5000	17	0.22	77800	0.69
5001-10000	25	0.32	192300	1.70
10001 and above	29	0.38	9029543	79.73
Total	**7731**	**100.00**	**11325000**	**100.00**

ii. Categories of Shareholders

Category	No of Shares held	Amount paid up Rs.	% age of Total Capital
Public	2343314	23433140	20.68
Banks	200	2000	0.01
Non-Resident Indians	16850	168500	0.15
Bodies Corporate	7204086	72040860	63.61
Directors and their relatives	1760550	17605500	15.55
Total	**11325000**	***113250000**	**100.00**

*Inclusive of calls-in-arrears and amount in respect of shares held in abeyance under Section 206 A of the Companies Act, 1956.

Dematerialisation of Shares and Liquidity

As of March 31, 2003, 77.73% of the Company's share capital was in dematerialised form. The Company's shares are frequently traded on The Stock Exchange, Mumbai.

87,68,224 shares representing 77.42% of the total shares have been dematerialised under NSDL Depository whereas 35,226 shares representing 0.31% of the total shares have been dematerialised under CDSL Depository.

Outstanding GDRs /ADRs /Warrants or any Convertible Instruments, conversion date and likely impact on equity - Not Applicable since no such instruments are outstanding.

Plant Locations – Not applicable

Address for correspondence – 141, Maker Chambers III, Nariman Point, Mumbai – 400 021

All material requirements with respect to Corporate Governance have been complied with as stipulated in the Listing Agreement.

CERTIFICATE

To the Members of

J. M. Share & Stock Brokers Limited

We have examined the compliance of conditions of Corporate Governance by J. M. Share & Stock Brokers Limited, for the year ended on March 31, 2003 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2003, no visitor grievances are pending aginst the Company for a period exceeding one month as on 31st March, 2003, as per the records maintained by the Company and presented to the Investors'/Shareholders' Grievance Committee.

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

For & on behalf of

KHIMJI KUNVERJI & CO
Chartered Accountants

NILESH S VIKAMSEY
Partner

PLACE : MUMBAI
DATE : JUNE 23, 2003

AUDITORS' REPORT

To The Members,

J. M. SHARE & STOCK BROKERS LIMITED

We have audited the attached Balance Sheet of J.M. Share & Stock Brokers Limited as at 31st March 2003 and also the Profit and Loss Account and the Cash flow statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of Sub-Section 4A of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred above, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
   b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of Accounts;
   d) In our opinion, the Balance Sheet and the Profit and Loss Account are 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 written representations received from the directors, as on 31st March, 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 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 our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes to Accounts in Schedule 'J' particularly Note No.10 in the aforesaid Schedule regarding fall in value of certain long term unquoted investments costing Rs.9,38,64,172/- against which provision of Rs.4,60,00,000/- has been made towards decline in value thereof 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 31st March, 2003;
      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
      iii) in the case of the Cash flow statement, of the cash flows for the period ended that date.

For & on behalf of

KHIMJI KUNVERJI & CO

Chartered Accountants

PLACE : MUMBAI

DATE : JUNE 23, 2003

NILESH S VIKAMSEY

Partner

ANNEXURE TO OUR AUDITORS' REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH, 2003

1. 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 at reasonable intervals. There were no discrepancies noticed on such physical verification and hence the question of the discrepancies being properly dealt with in the books of account does not arise.
2. None of the fixed assets has been revalued during the year.
3. The rate of interest and other terms and conditions of the unsecured loans taken from companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are prima facie, not prejudicial to the interest of the company. As informed there are no Companies under the same management as defined under section 370(1B) of the Companies Act,1956..
4. The Company has not granted any loans, secured or unsecured, to companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
5. In respect of loans and advances in the nature of loans given by the Company, one party is not repaying the principal amount as stipulated and is not regular in paying interest, which has been fully provided for as doubtful. The Company is making efforts to recover the principal and interest thereon.
6. We are informed that there were no transactions of purchase or sale of goods and materials and sale of 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 year to Rs.50,000 or more in respect of each party.
7. The Company has not accepted any deposits from the public.
8. In view of the low volume of transactions during the year and the internal controls existing, the Company did not deem it necessary to have a formal Internal Audit System during the year.
9. There were no undisputed amounts payable in respect of Income-tax and Wealth-tax outstanding as at 31st March, 2003 for a period of more than six months from the date they became payable.
10. No personal expenses have been charged to revenue accounts other than those payable under contractual obligations or in accordance with generally accepted business practice.
11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, hence the question of maintaining adequate documents and records does not arise.
12. We are informed that the provisions of any special statute applicable to Chit fund, Nidhi or Mutual benefit society are not applicable to the Company.
13. Since the Company did not trade in securities during the year, the question of maintaining proper records of the transactions and contracts of dealing or trading in shares, securities, debentures and other investments does not arise. The investments have been held by the Company in its own name.

For & on behalf of

KHIMJI KUNVERJI & CO

Chartered Accountants

PLACE : MUMBAI

DATE : JUNE 23, 2003

NILESH S VIKAMSEY

Partner

J. M. Share & Stock Brokers Ltd.

BALANCE SHEET AS AT MARCH 31, 2003

	Schedule	As at 31.03.2003 Rupees	As at 31.03.2002 Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Equity Share Capital	A	11,24,77,250	11,24,77,250
Reserves & Surplus	B	13,84,15,791	15,06,76,206
Total		25,08,93,041	26,31,53,456
APPLICATION OF FUNDS			
FIXED ASSETS	C		
Gross Block		1,08,50,211	1,08,50,211
Less : Provision for Depreciation		(18,95,798)	(17,18,133)
Net Block		89,54,413	91,32,078
INVESTMENTS	D	21,62,06,627	23,76,47,232
DEFERRED TAX ASSETS		1,20,608	1,44,455
Current Assets, Loans & Advances	E	5,79,92,193	5,09,83,781
Less: Current Liabilities & Provisions	F	3,23,80,800	3,47,54,090
NET CURRENT ASSETS		2,56,11,393	1,62,29,691
Total		25,08,93,041	26,31,53,456
Significant Accounting Policies & Notes to Accounts	J		

As per our attached
Report of even date

For & on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

NILESH S VIKAMSEY
Partner

For and on behalf of the Board

NIMESH N KAMPANI
Chairman

Directors

ARUNKUMAR GANDHI

M R MONDKAR

ASHITH N KAMPANI

PLACE: MUMBAI
DATED: JUNE 23, 2003

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2003

	Schedule	Year ended 31.03.2003 Rupees	Year ended 31.03.2002 Rupees
INCOME			
Securities Activity	G	53,48,649	5,11,72,572
Other Income	H	24,44,801	24,29,812
		77,93,450	5,36,02,384
EXPENDITURE	I	26,64,651	24,37,715
Profit before Interest, Depreciation, Diminution in Value of Investment & Tax		51,28,799	5,11,64,669
Less: Interest on other than fixed loans		80,751	64,01,385
Depreciation		1,77,665	1,96,933
Provision for diminution in the value of investments		45,00,000	2,84,76,433
Profit before Taxation		3,70,383	1,60,89,918
Provision for Current Tax		30,000	—
Short provision for tax of earlier years (Net)		36,589	—
Provision for Deferred Tax		23,847	9,112
Profit after Tax		2,79,947	1,60,80,806
Add: Adjustment for Deferred Tax Assets of earlier years		—	1,53,566
Balance Profit brought forward from earlier years		3,01,33,426	2,40,91,554
Write back of excess provision for dividend of earlier years		1,48,478	—
Profit available for Appropriation		3,05,61,851	4,03,25,926
APPROPRIATIONS			
Proposed Dividend (Previous year Subject to tax)		1,12,47,725	1,01,92,500
Dividend Tax		14,41,115	—
Balance Carried Forward		1,78,73,011	3,01,33,426
Earnings Per Share (Per Equity share of Rs.10/- each)			
— Basic & Diluted		0.02	1.42
Significant Accounting Policies & Notes to Accounts	J		

As per our attached Report of even date

For & on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

NILESH S VIKAMSEY
Partner

For and on behalf of the Board

NIMESH N KAMPANI
Chairman

Directors

ARUNKUMAR GANDHI

M R MONDKAR

ASHITH N KAMPANI

PLACE: MUMBAI
DATED: JUNE 23, 2003

SCHEDULE 'A'

SHARE CAPITAL

	As at 31.03.2003 Rupees	As at 31.03.2002 Rupees
Authorised:		
1,50,00,000 Equity Shares of Rs. 10/- each	**15,00,00,000**	15,00,00,000
Issued, Subscribed and Paid up :		
1,13,25,000 Equity Shares of Rs.10/- each fully paid-up. (Of the above, 12,50,000 Equity Shares of Rs 10/- each issued for consideration other than cash)	**11,32,50,000**	11,32,50,000
Less : Calls in arrears	**(7,72,750)**	(7,72,750)
	11,24,77,250	11,24,77,250

SCHEDULE 'B'

RESERVES & SURPLUS

	As at 31.03.2003 Rupees	As at 31.03.2002 Rupees
Share Premium	**12,05,42,780**	12,05,42,780
Surplus in Profit and Loss Account	**1,78,73,011**	3,01,33,426
	13,84,15,791	15,06,76,206

SCHEDULE 'C'

FIXED ASSETS

(In Rupees)

	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
Particulars	As at 31.03.2002	Additions during the period	Sale/Transfer during the period	**As at 31.03.2003**	Up to 31.03.2002	For the period	On sale/ Transfer	**Total upto 31.03.2003**	**As at 31.03.2003**	As at 31.03.2002
Office Premises	1,08,50,211	—	—	**1,08,50,211**	17,18,133	1,77,665	—	**18,95,798**	**89.54,413**	91,32,078
TOTAL	**1,08,50,211**	**—**	**—**	**1,08,50,211**	**17,18,133**	**1,77,665**	**—**	**18.95,798**	**89,54,413**	91,32,078
PREVIOUS YEAR	1,10,53,026	—	2,02,815	**1,08,50,211**	16,95,801	1,96,933	1,74,601	**17,18,133**	**91,32,078**	

SCHEDULE 'D'
INVESTMENTS

Sr. No.	Particulars	As at 31.03.2003 Nos.	As at 31.03.2003 Rupees	As at 31.03.2002 Nos.	As at 31.03.2002 Rupees
	LONG TERM INVESTMENTS				
	A QUOTED				
	EQUITY SHARES OF RS.10/- EACH				
	(Fully paid-up, Unless otherwise stated)				
1	CIPLA LTD.	—	—	1,500	2,80,000
2	HINDUSTAN PETROLEUM CORPORATION LTD.	—	—	48,000	1,08,80,000
3	SATYAM COMPUTER SERVICES LTD. (Rs. 2/- each)	—	—	3,000	7,86,090
	TOTAL RS.......... (A)		—		1,19,46,090
	B UNQUOTED				
	TRADE INVESTMENTS				
	EQUITY SHARES OF RS.10/- EACH				
	(Fully paid-up, Unless otherwise stated)				
1	JSB SECURITIES LTD.	15,00,000	2,30,00,000	15,00,000	2,30,00,000
2	J. M. CAPITAL MANAGEMENT PVT. LTD.	12,00,000	1,20,00,000	12,00,000	1,20,00,000
3	J. M. TRUSTEE CO. PVT. LTD.	25,000	2,50,000	25,000	2,50,000
4	JM MORGAN STANLEY SECURITIES PVT. LTD.	49,00,000	12,66,87,500	49,00,000	12,66,87,500
	OTHERS				
1	JSB SECURITIES LTD. (OPTIONALLY CONVERTIBLE DEBENTURES Rs.100/- each)	6,00,000	6,00,00,000	6,00,000	6,00,00,000
	OTHER INVESTMENTS				
	EQUITY SHARES OF RS.10/- EACH				
	(Fully paid-up, Unless otherwise stated)				
1	DERIVATIVE SOLUTIONS PTE LTD. - (S$1/- each)	5,00,422	1,08,64,172	5,00,422	1,08,64,172
2	FINANCIAL ENGINEERING SOLUTIONS PVT. LTD.	4,00,000	40,00,000	4,00,000	40,00,000
3	UVI HOLIDAYS LTD.	1,75,000	87,50,000	1,75,000	87,50,000
	OTHERS				
	MUTUAL FUND UNITS OF RS.10/- EACH				
1	JM MUTUAL FUND - BASIC EQUITY - DIVIDEND PLAN	16,072	1,49,470	16,072	1,49,470
2	JM MUTUAL FUND - INCOME FUND - GROWTH PLAN	3,68,318	79,05,485	9,93,530	2,15,00,000
3	JM MUTUAL FUND - HIGH LIQUID FUND - GROWTH PLAN	5,13,328	86,00,000	—	—
	TOTAL RS.......... (B)		26,22,06,627		26,72,01,142

Sr. No.	Particulars	As at 31.03.2003 Nos.	As at 31.03.2003 Rupees	As at 31.03.2002 Nos.	As at 31.03.2002 Rupees
	TOTAL (A + B)		**26,22,06,627**		27,91,47,232
Less:	Provision for Diminution in the Value of Investments - Unquoted		**4,60,00,000**		4,15,00,000
	TOTAL		**21,62,06,627**		23,76,47,232
1	QUOTED INVESTMENTS (Net of Diminution)		**—**		1,19,46,090
2	UNQUOTED INVESTMENTS (Net of Diminution)		**21,62,06,627**		22,57,01,142
	TOTAL		**21,62,06,627**		23,76,47,232

Note: Aggregate market value of Quoted Investments Rs.Nil (Previous year Rs.1,62,78,675/-)

SCHEDULE 'E'

CURRENT ASSETS, LOANS & ADVANCES

		As at 31.03.2003 Rupees	As at 31.03.2002 Rupees
(A)	**CURRENT ASSETS :**		
1)	Income Accrued		
	On Others (Doubtful fully provided Rs.9,32,868/- Previous Year Rs. 9,32,868/-)	**—**	—
2)	Sundry Debtors (Unsecured considered good unless otherwise stated)		
	Exceeding six months (Doubtful fully provided Rs.18,51,213/- Previous Year Rs. 18,85,540/-)	**—**	—
	(b) Others	**—**	—
3)	Bank Balance with Scheduled Banks :		
	— In Current Account	**8,28,539**	10,99,393
	TOTAL (A)	**8,28,539**	10,99,393
(B)	**LOANS AND ADVANCES**		
	(Unsecured considered good unless otherwise stated)		
1)	Advances recoverable in cash or kind or for value to be received	**68,33,392**	24,10,193
2)	Deposits (net of doubtful deposits provided Rs.25,00,000/- Previous Year Rs. 25,00,000/-)	**1,32,97,510**	1,33,97,510
3)	Advance Tax & Tax Deducted at Source (Net of Provision)	**3,70,32,752**	3,40,76,685
	TOTAL (B)	**5,71,63,654**	4,98,84,388
	TOTAL (A+B)	**5,79,92,193**	5,09,83,781

SCHEDULE 'F'
CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2003 Rupees	As at 31.03.2002 Rupees
CURRENT LIABILITIES		
Sundry Creditors	**6,80,750**	44,66,450
Property Deposits	**1,04,00,000**	1,12,50,000
Other Liabilities	**86,11,210**	88,45,140
TOTAL (A)	**1,96,91,960**	2,45,61,590
PROVISIONS		
Proposed Dividend	**1,12,47,725**	1,01,92,500
Corporate Tax on Proposed Dividend	**14,41,115**	—
TOTAL (B)	**1,26,88,840**	1,01,92,500
TOTAL (A) + (B)	**3,23,80,800**	3,47,54,090

INCOME
SCHEDULE 'G'
SECURITIES ACTIVITY

	For the year 31.03.2003 Rupees	Year Ended 31.03.2002 Rupees
Profit on sale of Long term Investments (Net)	**47,52,744**	74,95,898
Dividend on Long term Investments [Tax Deducted at Source Rs.65,288/- (Previous Year Rs.Nil)]	**5,95,905**	4,36,76,674
TOTAL	**53,48,649**	5,11,72,572

SCHEDULE 'H'

OTHER INCOME

	Year Ended 31.03.2003 Rupees	Year Ended 31.03.2002 Rupees
Interest (Gross)	**7,16,149**	1,673
[Tax Deducted at Source Rs. Nil (Previous Year Rs.Nil)]		
Lease Rent	**17,13,915**	18,89,334
[Tax Deducted at Source Rs.3,59,922 /- (Previous Year Rs. 3,88,860/-)]		
Other Income	**14,737**	5,38,805
TOTAL	**24,44,801**	24,29,812

SCHEDULE 'I'

EXPENDITURE

	Year Ended 31.03.2003 Rupees	Year Ended 31.03.2002 Rupees
1) Rent	**1,86,695**	3,20,276
2) Insurance	**11,21,976**	11,24,944
3) Auditor's Remuneration		
— For Audit Fees	**25,000**	25,000
— For Others	**25,000**	10,000
— For Tax Audit fees	**10,000**	10,000
— For Service Tax on Auditors' Remuneration	**4,050**	2,250
4) Legal, Professional & Consultation Charges	**6,72,550**	4,13,624
5) Miscellaneous Expenses	**3,60,734**	2,59,482
6) AGM and R&T Expenses	**2,58,646**	2,72,139
TOTAL	**26,64,651**	24,37,715

SCHEDULE "J"

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS AS ON MARCH 31, 2003.

1 **Significant Accounting Policies**

(a) Accounting Convention

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards.

(b) Fixed Assets

Fixed Assets are stated at cost.

(c) Investments

Long term Investments are stated at cost. However provision for diminution in value of the quoted long term investments and current investments is done at lower of cost and market value determined on an individual investment basis and provision for diminution in the value of Unquoted Long Term Investments is done as per managements' estimate.

(d) Depreciation

Depreciation is being provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year is being provided on pro-rata basis with reference to the month of addition/ disposal.

(e) Foreign Currency Translations

Transactions on account of foreign currency are converted into Indian rupees at the prevailing rates on the date of transaction. Remittances not received or made until the date of Balance Sheet are considered at the exchange rate prevailing on the date of Balance Sheet.

(f) Stock in Trade

Valued at lower of cost or market value.

(g) Taxation

(i) Provision for the current tax is made on the basis of estimated taxable income for the current accounting year in accordance with Income Tax Act, 1961.

(ii) The Deferred Tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

(iii) Deferred tax assets arising from timing difference are recognised to the extent there is reasonable certainity that these would be realised in future.

2 (a) Contingent liability in respect of income tax disputed in Appeal, excluding interest thereon, is Rs.3,03,78,818/- [Previous year Rs. 6,01,11,341/-]

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 44,77,000/- [Previous year Rs. 44,77,000/-]

3 Other Liabilities include the following unclaimed amounts which will be transferred to the Investor Education and Protection fund under Section 205 C of the Companies Act, 1956 after seven years from the respective dates they became due for payment.

		Year ended 31.03.2003 Rupees	Year ended 31.03.2002 Rupees
1	Unclaimed Dividend	**1,65,231**	2,80,873
3	Unclaimed matured debentures	**48.11,470**	51.20,294
4	Unclaimed Interest on debentures	**21.27,093**	21.28,896
		71,03,794	75.30,063

4 Disclosure in respect of Company's Joint Ventures in India pursuant to Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures":

		Country of Incorporation	Proportion of Ownership interest as at 31.03.2003 Rupees
a)	Name of the Venture		
	JM Morgan Stanley Securities Pvt. Ltd.	India	49%
	Derivative Solutions Pte. Ltd.	Singapore	30%
b)	the aggregate of Company's share in the above ventures in:		
	Net Fixed Assets		36,852,010
	Investments		147,000,000
	Net Current Assets		147,436,986
	Stock Exchange Membership		15,665,300
	Miscellaneous Expenditure (to the extent not written off)		458,309
	Loans/ Borrowings		—
	Deferred Tax liability		3,626,000
	Income		273,862,537
	Expenses (Including depreciation & taxation)		224,376,151

5 There are no loans and advances in the nature of loans to Subsidiary, Associates, Firms and Companies in which directors are interested, and no loans having no repayment schedule or repayment schedule beyond seven years or having no interest or interest rates lower than specified under Section 372 A of the Companies Act, 1956 except Investment in 6,00,000 Interest free Optionally Convertible Debentures of JSB Securities Ltd. amounting to Rs.6 Crores which if not converted into Equity shares are partly repayable after seven years from the date of allotment.

6 The issued, subscribed and paid-up capital and calls in arrears inter alia includes an amount in respect of 11,500 shares held in abeyance under section 206A of the Companies Act, 1956.

7 Under the head "Current Liabilities & Provisions" no separate disclosure is made for outstanding amount(s) due to Small Scale Industrial undertaking(s) [SSI] as there are no such creditors.

8 Deferred tax Assets/ (Liability) at the year end comprise timing difference on account of:

	Year ended 31.03.2003	Year ended 31.03.2002
Depreciation	**(19,57,855)**	(19,28,403)
Brought forward depreciation	**20,78,463**	20,72,858
	1,20,608	1,44,455

Deferred tax assets arising on account of brought forward losses has not been recognised as a measure of prudence.

9 EPS is calculated as under:

		Year ended 31.03.2003	Year ended 31.03.2002
(a)	Numerator - Net profit as disclosed in Profit and Loss account	**2,79,947**	1,60,80,806
(b)	Denominator - Weighted average no. of equity shares outstanding		
	Basic & Diluted	**1,13,25,000**	1,13,25,000
(c)	Nominal value of shares	**10.00**	10.00

10 Break up value of certain long term unquoted investments costing Rs.9,38,64,172/- are lower than its cost. Looking at the long term nature of investments, the Company has as an abundant caution, provided till date Rs.4,60,00,000/- as decline, other than temporary in the value thereof.

11 Disclosure in respect of Related Parties pursuant to Accounting Standard - 18

12 Statement of cash flow pursuant to Accounting Standard -3

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2003

Rs (in Lacs)

	PARTICULARS	2002-2003	2001-2002
A	**Net Profit after tax & extra ordinary items**	**2.80**	**160.81**
	Adjustment for :		
	Depreciation	1.78	1.97
	Provision for diminution in value of Investments	45.00	284.76
	Provision for Current Taxation	0.30	—
	Deferred Tax	0.24	0.09
	Shrot provision for tax of earlier year (net)	0.36	—
	Interest	0.81	64.01
	(Profit) on sale of Investments	(47.53)	(74.96)
	(Profit) on sale of Fixed Assets	—	(0.09)
	Operating Profit before Working Capital Changes	3.76	436.59
	Adjustment for :		
	Trade & Other Receivables	—	—
	Inventories	—	—
	Trade Payables	(47.21)	(136.91)
	Cash generated from operations	**(43.45)**	**299.68**
	Interest paid	(0.81)	(86.20)
	Direct taxes paid	(30.22)	(10.13)
	Net Cash from Operating Activities	**(74.48)**	**203.35**
B	**Cashflow from Investment Activities**		
	Purchase of Fixed Assets	—	—
	Sale of Fixed Assets	—	0.37
	Purchase of Investments	(99.50)	(235.00)
	Sale of Investments	316.43	263.04
	Loans & Advances	(43.23)	29.00

	Net Cash from/(used in) Investment Activities	**173.70**	**57.41**
C	**Cashflow from Financing Activities**		
	Proceeds from issue of Share Capital/Premium	—	—
	Proceeds from Borrowings	21.00	—
	Repayment of Borrowings	(21.00)	(286.50)
	Dividend paid	(101.92)	—
	Net Cash from/(used in) Financing Activities	**(101.92)**	**(286.50)**
	Net increase/(Decrease) in cash & cash equivalents	**(2.70)**	**(25.74)**
	Cash & cash equivalents (opening)	10.99	36.73
	Cash & cash equivalents (closing)	8.29	10.99

Note: Considering the Company's activities Dividend, Interest Income and Lease Rentals, Interest Expenses are considered as part of Operating Activity of the Company.

Rupees in lacs

	Associates		**Joint Ventures**		**Key Manage-ment Personnel**		**Relatives of Key Manage-ment Personnel**		**Enterprise over which Individual in 2 below is able to exercise significant influence**		**Total**	
	2003	2002	**2003**	2002	**2003**	2002	**2003**	2002	**2003**	2002	**2003**	2002
Sale of Long Term Investments through									316.44	263.04	316.44	263.04
Receiving of services									0.40	0.66	0.40	0.66
Investments made in									99.50	235.00	99.50	235.00
Advances given		15.16									0.00	15.16
Advances recovered		39.36							10.18	0.00	10.18	39.36
Deposits repaid									8.50	287.61	8.50	287.61
Dividend received									0.05	416.50	0.05	416.50
Rent received									17.14	18.89	17.14	18.89
Interest paid									-	25.54	0.00	25.54
Board Meeting fees					0.03	0.03	0.03	0.03			0.05	0.05
Outstanding Balance												
Investments in	992.50	992.50	1,375.52	1,375.52					166.55	216.49	2,534.57	2,584.51
Property deposits received from									104.00	112.50	104.00	112.50
Receivables									53.63	10.16	53.63	10.16

A Names of related parties and description of relationship:

1 **Associates**
JSB Securities Ltd.
Financial Engineering Solutions Pvt. Ltd.
J.M. Trustee Company Pvt. Ltd.
J.M. Capital Management Pvt. Ltd.
Joint Ventures
JM Morgan Stanley Securities Pvt. Ltd.
Derivative Solutions Pte. Ltd.

2 **Key Management Personnel**
Mr. Nimesh Kampani

3 **Relatives of Key Management Personnel**
Mr. Ashith Kampani

4 **Enterprise over which Individual in 2 above is able to exercise significant influence**
J.M. Financial & Investment Consultancy Services Pvt. Ltd.
JM Morgan Stanley Retail Services Pvt. Ltd.
JM Morgan Stanley Pvt. Ltd.
JM Morgan Stanley Fixed Income Securities Pvt. Ltd.

B a. No amount in respect of related parties have been written back during the year.
b. Amount provided for during the year for dimunition in the value of investments in related parties is Rs.45,00,000/- (till date Rs.4,60,00,000/-)
c. Related party relationships have been identified by the management & relied upon by the auditors.

13 The Company is mainly engaged in Securities Activity which in the context of Accounting Standard 17 is considered as the only business segment. The geographical segments are therefore not applicable.

14 No further information pursuant to paragraph 4C & 4D of the Part II of the Schedule VI of the Companies Act, 1956 given as the same does not apply to the Company.

15 Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

Balance Sheet Abstract and General Business Profile

a. Registration Details

Registration No.: 38784	**State Code : 11**
Balance Sheet Date: 31-03-2003	
	(Rupees in '000)

b. Capital Raised during the Year

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

c. Position of Mobilisation and Deployment of Funds

Total Liabilities	2,50,893
Total Assets	2,50,893

Sources of Funds	
Paid-up Capital	1,12,477
Reserves and Surplus	1,38,416
Secured Loans	—
Unsecured Loans	—
Application of Funds	
Net Fixed Assets	8,954
Investments	2,16,207
Deferred Tax Assets	121
Net Current Assets	25,611
Miscellaneous Expenditure	—
Accumulated Losses	—
d. Performance of the Company	
Turnover (including Other Income)	7,793
Total Expenditure	7,423
Profit before Tax	370
Profit after Tax	280
Earnings per share in Rs.	0.02
Dividend Rate %	10
e. Generic Names of Principal Products of the Company	
Item Code No. (ITC Code)	Not applicable
Product Description	Not applicable

15 Previous year figures have been regrouped and rearranged wherever necessary.

As per our attached
Report of even date

For & on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

NILESH S VIKAMSEY
Partner

PLACE: MUMBAI
DATED: JUNE 23, 2003

For and on behalf of the Board

NIMESH N KAMPANI
Chairman

Directors

ARUNKUMAR GANDHI

M R MONDKAR

ASHITH N KAMPANI

J. M. Share & Stock Brokers Limited

Registered Office: 141, Maker Chambers III, Nariman Point, Mumbai 400 021.

PROXY FORM

DPID: .... Folio No: ....

Client ID: .... No. of Shares held ....

I/We .... of ....
.... in the district of
.... being a Member/Members of the above named Company hereby appoint .... of .... in the district of .... or failing him ....
of .... in the district of ....
as my/our proxy to vote for me/us on my/our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, September 10, 2003 and at any adjournment thereof.

Signed this .... day of .... 2003 Signature............ Affix Re. 1 Revenue Stamp ....

Note: This proxy form duly completed and signed must be deposited at the Registered Office of the Company forty-eight hours before the meeting.

J. M. Share & Stock Brokers Limited

Registered Office: 141, Maker Chambers III, Nariman Point, Mumbai 400 021.

ATTENDANCE SLIP
(To be handed over at the entrance of the meeting hall)

Eighteenth Annual General Meeting — SEPTEMBER 10, 2003

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company on Wednesday, September 10, 2003 at 3.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400 021.

Full name of Member (in BLOCK LETTERS) ....

DPID: .... Folio No: ....

Client ID: .... No. of Shares held ....

Full name of Proxy (in BLOCK LETTERS) ....

Member's/Proxy's Signature ....

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