



DOLAT INVESTMENTS LIMITED

32nd
ANNUAL
REPORT

2012-2013

DOLAT INVESTMENTS LIMITED

Board of Directors	:	Mr. Harendra D. Shah – Chairman & Managing Director (upto 31.05.2013) Mr. Rajendra D. Shah Managing Director (w.e.f. 01.06.2013) Mr. Sunil P. Shah Mr. Shashikant H. Gosalia
Company Secretary	:	Mr. Umesh V. Moolya
Auditors	:	M/s. Sundarlal, Desai & Kanodia Chartered Accountants
Bankers	:	ICICI Bank Ltd. AXIS Bank Ltd.
Registered Office	:	203, City Centre, 186, Purswakkam High Road, Kelees, Chennai 600010.
Corporate Office	:	301-308, 3 rd Floor, Bhagwati House, Plot No A/19, Veera Desai Road, Andheri (West), Mumbai – 400 058 Tel: +91 22-267 32602 Fax: +91 22-267 32642
Registrars & Share Transfer Agents	:	Purva Shareregistry (India) Private Limited No.9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Lower Parel (East), Mumbai 400011. Tel: 022-2301 6761.

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NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of DOLAT INVESTMENTS LIMITED will be held on Wednesday, the 18th September, 2013 at 11:00 A.M. at the Registered Office of the Company at 203, City Center, 186, Purswakkam High Road, Keleeyes, Chennai 600010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended as on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sunil P Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Audit Committee to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to all the applicable statutory approvals, approval of the Company be and is hereby accorded to the Appointment of Mr. Rajendra D. Shah, as Managing Director of the Company commencing from June 1, 2013 on such terms and conditions including remuneration, benefits and perquisites as set out in the explanatory statement annexed hereto which shall be deemed to form part hereof.

“RESOLVED FURTHER THAT the tenure of the office of the Managing Director shall be for a period of five years commencing from June 1, 2013 and ending on 31st May, 2018.”

“RESOLVED FURTHER THAT subject to the applicable legal provisions and statutory approvals, where in any financial year during the tenure of office of Managing Director, the Company has no profits or if the profits are inadequate, the company shall pay remuneration, benefits and perquisites to the Managing Director as specified in the explanatory statement hereto as minimum remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and the remuneration including benefits and perquisites within the maximum limit in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time.”

“RESOLVED FURTHER THAT Mr. Rajendra D. Shah, shall not be subject to retirement by rotation in terms of Article 109 of the Articles of Association of the Company during his tenure as Managing Director of the Company.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and to delegate all or any of its power herein conferred to a Director and Company Secretary to give effect to the aforesaid resolution.”

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Annexure to the Notice:

Explanatory Statement under Section 173 of the Companies Act, 1956.

Item No.4:

The terms of appointment of Managing Director:

The Board of Directors at their meeting held on 24th May, 2013, appointed Mr. Rajendra D. Shah, as Managing Director for a term of five years from 1st June, 2013 to 31st May, 2018.

The term and conditions of the appointment and remuneration payable to Mr. Rajendra D. Shah are provided in the draft contract to be entered into between the Company and Mr. Rajendra D. Shah. The material terms and conditions of the appointment and the remuneration payable to Mr. Rajendra D. Shah, Managing Director is as under:

A. Salary, Remuneration, perquisite and benefits:

(i) Basic Salary:

Rs.75,000/- (Rupees Seventy Five thousand only) (in time scale of Rs. 75000-15000-125000-20000-250000.)

(ii) Club Fees:

Reimbursement of fees of any two clubs in India, including admission or entrance fees and monthly or annual subscriptions.

(iii) Personal Accident Insurance:

The Company shall pay an annual premium of a sum not exceeding Rs.15,000/- (Rupees Fifteen Thousand only) for purchasing a personal accident insurance policy for Mr.Rajendra D. Shah.

(iv) Company maintained Car, Driver & Telephone:

Provision of a car with driver for use on Company's business. Use of car for private and personal purposes shall be billed by the Company to Mr. Rajendra D. Shah. A landline telephone at residence and a mobile phone facility will be provided, the cost of which will be borne by the Company. In case the company is not able to provide a driver the expenses for engaging a driver will be reimbursed as per company's rules.

(iv) Entertainment Expenses:

Reimbursement of entertainment expenses actually and properly incurred in the course of the business of the company subject to such annual limits as may be fixed by the Board of Directors of the Company.

(v) Inadequacy of profits:

In the event of inadequacy of the profits under Section 349 and 350 of the Companies Act, 1956 the remuneration comprising salary, allowance, commission/bonus /perquisites and benefits, as detailed above shall be construed as minimum remuneration to Mr. Rajendra D Shah during the term of his appointment in the event the remuneration exceeds the limits prescribed under Schedule XIII read with relevant provisions of the Companies Act, 1956, the special resolution is proposed for the approval of shareholders and an application will be made by the Company for the payment of above mentioned remuneration to Mr. Rajendra D Shah as minimum remuneration.

(v) Not to engage in other employment:

Mr. Rajendra D. Shah will not engage in any employment or business enterprises that would

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in any way conflict with the services and interest of the company and shall comply with all applicable laws of the country and refrain from political activities.

(vi) Business Conduct:

Mr. Rajendra D Shah shall comply with Company's policies with regard to business ethics and shall maintain integrity in line with the Company's Code of Conduct and govern policies.

(vii) Termination:

The appointment may be terminated by either party by giving to the other party three months written notice of such termination.

(viii) Mr. Rajendra D. Shah shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

The draft Agreement between the Company and Mr. Rajendra D. Shah referred to in the Resolution will be open for inspection by the Shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

The above Explanatory Statement concerning the appointment of Mr. Rajendra D. Shah as the Managing Director may be treated as an abstract of the terms of the draft Agreement and the memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board commends the Resolution for acceptance by the Shareholders.

Except Mr. Rajendra D. Shah and Mr. Harendra D. Shah (relative of Mr. Rajendra D. Shah) none of the Directors is interested or concerned in the Resolution.

By Order of the Board of Directors
Umesh V Moolya
Company Secretary

Place: Mumbai

Date: 24th May, 2013

Registered Office:

203, City Centre, 186, Purswakkam High Raod,
Keleeyes, Chennai 600010.

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING 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 instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting, duly completed, stamped and signed. Corporate members are requested to send board resolution duly certified authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
2. An explanatory statement pursuant to section 173 of the Companies Act 1956 relating to Item No. 4 is annexed hereto.
3. Members who hold shares in dematerialized form are requested to write their DP ID and CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.
4. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.
5. Members holding shares in physical form, who have multiple accounts in identical names or joint accounts in the same order, are requested to send all the Share Certificate(s) for consolidation of all such shareholdings into one account, to the Company's Registrar and Share Transfer Agents.
6. Members are requested to address all correspondence, including dividend matters, to the Company's Registrar & Share Transfer Agent, M/s. Purva Sharegistry (India) Pvt. Ltd., No.9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai 400011 Tel. 022-23016761.
7. Pursuant to the requirements on corporate governance under Clause 49 of the Listing Agreement entered into with Stock Exchange, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to the Notice.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 12th September 2013 to Wednesday, the 18th September 2013 (Both days inclusive). The Ministry of Corporate Affairs (MCA), Government of India, had taken a 'Green Initiative in the Corporate Governance', by allowing paperless compliances by the companies and had issued circulars stating that service of notice/ documents including Annual Report can be done by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialized holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill-up the E-mail Updation Form available at Company's website www.dolatinvest.com and submit the same to the Registrar and Share Transfer Agent of the Company, M/s. Purva Sharegistry (India) Pvt Ltd.
9. Members are requested to bring their copies of the Annual Reports to the Meeting.

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10. Those Members who have not encashed/received their Dividend Warrants for the previous financial year(s) may approach the Registrar and Transfer Agents of the Company, M/s. Purva Sharegistry (India) Pvt. Ltd.
11. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialized their shareholding, are advised to dematerialize the same to avoid inconvenience in future.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company.
13. The balance amount in Unpaid Dividend Account for the financial year 2007-08 (1st Interim and 2nd Interim) are due for transfer to the IEPF administered by the Central Government during the month of August, 2014 and February, 2015 respectively. The Shareholder whose dividends are unclaimed for the aforesaid financial year, are requested to claim it immediately from the company. Further, shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed for a period of seven years from the date of these become first due for payment and no payment shall be made in respect of any such claim.

INFORMATION TO BE FURNISHED UNDER THE LISTING AGREEMENT

Additional information on Directors being reappointed at the 32nd Annual General Meeting fixed on 18.09.2013

Name	:	Mr. Sunil P. Shah
Date of Birth	:	18.04.1963
Qualification	:	B.Com.
Experience/Occupation	:	Mr. Sunil P. Shah, is an Independent director of the company, holding Directorship in the Company since year 2003. He has experience of Capital and Financial Market. His expertise knowledge in investment strategy, analytical skills will immensely benefit the Company. He is chairman of Audit Committee, Investors' Grievance Committee and Remuneration Committee of Directors of the Company. Mr. Sunil P Shah is not holding any directorship/chairmanship in any other public limited company.
Shareholding	:	Mr. Sunil P. Shah, holds Nil equity shares of the Company.

Directors' Report

The Members,

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2013

FINANCIAL RESULTS

Particulars	2012-2013 <i>Rs. in lacs</i>	2011-2012 <i>Rs. in lacs</i>
Total Revenue	21673.10	21803.51
Less: Expenditure	20507.82	21684.93
Profit Before Tax and Depreciation/Amortization	1165.28	118.58
Less: Depreciation /Amortization	1.69	2.33
Profit Before Tax	1163.59	116.25
Less: Total Tax Expenses	372.47	21.68
Profit After Tax	791.12	94.57

DIVIDEND

To enable the Company to augment and conserve money for expansion of business, the Board of Directors do not recommend Dividend this year.

INVESTMENTS

The Management regularly reviews the Company's Portfolio of investment and the securities and commodities are bought and sold in physical/demat form in order to make gains.

REVIEW OF OPERATIONS

Your Company earned gross revenue of Rs. 21673.10 lacs, during the year under review as against Rs.21,803.51 lacs reported in the previous year. The Profit before tax Rs. 1163.59 lacs as against Rs.116.25 lacs in the previous year. After providing for tax, the net profit of your company is Rs.791.12 lacs as against Rs.94.57 lacs in the previous year. The basic earning per share is Rs.0.45 (previous year Rs.0.05).

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):

Global Economy:

The big picture about the global economy is one of cautious optimism. The world has not fully recovered from the shadows of the financial crisis that started in 2008, and once the government stimulus was slowly reduced, both developed and developing economies began to show signs of stress. However, it must be admitted that global economic prospects have improved to some extent on key macroeconomic parameters. The euro zone's debt crises became less acute in 2012, thanks largely to the European Central Bank's aggressive actions to save the single currency. However, Europe's chronic problems are far from over and the Euro zone economy shrank in

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2012. The comparison, the US economy looked much better, with a rebound in its housing market and a steadily falling unemployment rate though the recovery is still weak. Many emerging markets had a poor year, as growth rates dropped. The European Central Bank has reduced tail risks in the Euro zone by providing extensive monetary support to distressed economies, a commendable effort. On the other hand, the US economy is strengthening fiscal consolidation and has grown for 15 consecutive quarters (Source: US Commerce Department). China, India, Japan and Indonesia are driving Asian growth, although the rate of growth is not significant. Japan's master plan for structural reforms is expected to boost economic growth in the coming years. Overall, there is a need for consistent vigilance on the part of global policy makers to build resilience against financial vulnerabilities.

The era of high growth in the BRICs – Brazil, Russia, India and China – appears to be over, which has already had an impact on global commodity prices. Global economic prospects seem to have improved slightly, in the last six months, though the road to recovery in the developed economics is expected to be bumpy and sluggish in 2013. Short –term risks would appear to have receded, thanks to the recent unconventional policy actions by Central Banks. However, fiscal policy changes and uncertainty about outcomes continue to threaten the prospects of a sustained recovery in several advanced economies and could delay recovery in emerging markets and developing economies.

As per The United Nation's World Economic Situation and Prospects (WESP), 2013 report, four years after the eruption of the global financial crisis, the global economy is still struggling to recover. During 2012, growth of the world economy has weakened further. The global economy is expected to grow at 2.2 per cent in 2012, at 2.4 per cent in 2013 and 3.2 per cent in 2014.

Weaknesses in the major developed economies are at the root of the global economic slowdown. The report stresses that most of them, but particularly those in Europe, are trapped in a vicious cycle of high unemployment, financial sector fragility, heightened sovereign risks, fiscal austerity and low growth. Several European economies and the euro zone as a whole are already in recession, and euro zone unemployment increased further to a record high of almost 12 per cent this year. The US economy slowed significantly during 2012 and growth is expected to remain meager at 1.7 per cent in 2013. Deflationary conditions continue to prevail in Japan. The economic woes in Europe, Japan and the United States are spilling over to developing countries through weaker demand for their exports and heightened volatility in capital flows and commodity prices. Economies in developing Asia have weakened considerably during 2012, as the region's growth engines, China and India, have shifted into lower gear. While a significant deceleration in exports has been a key factor behind the slowdown, both economies also face a number of structural challenges that hamper growth. Given persistent inflationary pressures and large fiscal deficits, the scope for policy stimulus in India and other South Asian countries is limited. China and many East Asian economies, in contrast, possess much greater space for countercyclical policy. According to the report, present policy stances fall short of what is needed to spur economic recovery and address the jobs crisis. While policy efforts have been significant, especially in the euro zone, in trying to redress sovereign debt distress, the combination of fiscal austerity and expansionary monetary policies has had mixed success so far in calming financial markets and even less so in strengthening economic growth and job creation. It is essential to change course in fiscal policy, the UN report says, and shift the focus from short-term consolidation to robust economic growth with medium to long term fiscal sustainability. Premature fiscal austerity should be avoided and, while necessary, fiscal consolidation should focus on medium-term, rather than short-term adjustment

Indian Economy:

The slowing growth rate in India during the first half of 2012-13 can be explained in terms of both global factors and domestic factors. The slowdown in growth in advanced economies and near recessionary conditions prevailing in Europe resulted not only in lower growth of international trade but also lower capital flows. The growth rate of India's exports declined. At the same time, however, the international price of crude oil remained high. India's trade and current account deficits widened. Turning to domestic factors, rainfall in the monsoon season of 2012-13 has been below normal, particularly in the key months of June and July. This affected sowing and resulted in a lower growth rate of agriculture and allied sectors. The Reserve Bank of India continued to follow a relatively tight monetary policy to control inflation, although there has been some relaxation in the recent months in the Statutory Liquidity Ratio (SLR) as well as Cash Reserve Requirement (CRR). The cost of borrowing remains at elevated levels and this has had an impact on investment and growth in the economy, particularly that of the industry sector. Finally, bottlenecks in project implementation have made financing more difficult and investors more cautious. The reduction in the growth rate of the services sector in the first half of current year vis-à-vis the first half of 2011-12 was primarily due to a reduction in the growth rate of 'Trade, hotels, transport and communications' sector from 11.6 per cent in H1 of 2011-12 to 4.7 per cent in H1 of 2012-13. Within the services sector, this sub sector is the most crucial and accounts for nearly 45 to 50 per cent of the value added of services sector. Growth in activities like trade, hotels and transport, etc. are linked with the growth of agriculture and industry sectors and a slowdown in these activities has had an adverse impact on the growth of the trade and transport sectors. In contrast, the growth of financial, business and community and social services in the first half of the current year was in fact, higher than the growth rate for these sectors in the corresponding period of 2011-12.

GDP growth in 2012-13 is likely to fall below 5% - down from 6.2% a year ago, mainly due to the protracted weakness in industrial activity, aggravated by domestic supply bottlenecks and slowdown in the service sector, reflecting weak external demand. The high level of Fiscal and Current Account deficits had an equally dampening effect on the Indian economy. A modest increase in exports in Q4 of 2012-13 and some deceleration in imports are likely to help moderate the current account deficit (CAD) to around 5.0%, after a record high of 6.7% in Q3. Despite this, the CAD/GDP ratio for the year 2012-13 is expected to be around 5.0%, way above the sustainable level.

Headline Inflation, as measured by the wholesale price index (WPI), fell to 6.0% by the end of the year, the lowest in the last three years. The corresponding figures for the previous two years were 7.69% and 9.68% respectively. However, the Consumer Price Index (CPI), remained stubbornly in double digits through most of the year, dipping marginally in April to 9.39%. Food inflation continued to show upside pressures throughout 2012-13 and averaged 9.86% during the year, while fuel inflation averaged 10.53% during the same period, largely reflecting periodical upward revisions in administered prices and the pass through of high internal crude prices to freely priced items.

However, taking note of the overall inflation trends, RBI responded to the call for revival of growth and revised its policy rates three times between July 2012 and May 2013, reducing Repo rates from 8% to 7.25% and Reverse Repo rates from 7% to 6.25%. Liquidity management however, remained a major challenge for the RBI during the year. In order to redress the liquidity deficit, Reserve Bank of India reduced the cash reserve ratio (CRR) by 75 basis points, (from 4.75% to 4.00%) between July 2012 and May 2013, and the Statutory Liquidity Ratio by 100 basis points

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from 24.00% to 23.00% in July 2012.

India's diversified trade patterns would not insulate it from global stagnation. India's growth, though not as export-dependent as that of Emerging Markets (EMs) in other regions, would remain sluggish. IMF's staff estimates indicate that for every percentage point of lower global growth, India's growth would be 0.5 percentage point.

Company's Financial Review

The Company has earned net profit of Rs. 791.12 Lacs for the year 2012-2013 as compared to a net profit of Rs.94.57 Lacs earned in the previous year 2011-12. The company's profit increased in the year under consideration as the company is concentrating in trading in commodities through commodities exchanges in India, with expert knowledge of the directors of the company and price fluctuation in the commodities in recent past, which has been in favour of the company's business strategy and model.

Resources & Liquidity

Company has deployed the surplus liquid resources, in units of Mutual Funds and Bank Deposits to earn dividend and interest and reinvested these funds in commodities market wherever it was considered appropriate, taking into account all relevant factors affecting the business.

Industry & Development

Growth in emerging developing economies has also started to slow down from the second quarter of 2011. Initially, this was the result of macroeconomic policy tightening in attempts to curb emerging assets price bubbles and accelerating inflation. From mid-2011 onwards, growth moderated further with weaker external demand from developed countries and capital flow reversals. Growth in emerging and developing economies is expected to average 5.75% during 2012 - significant slowdown from the 6.75% growth registered during 2011. The concerns on the slowing Indian economy were reaffirmed with Q3 FY2012 GDP growth at 6.1%, the lowest since Q4 FY2009. The Index Industrial Product (IIP) was volatile through out FY2012 on the back of tight liquidity situation which has prevailed for almost two years now. The slowdown in GDP growth witnessed over the last two quarters is likely to extend into FY2012 on account of the weakness in investments. In response, and bolstered by softening in inflation during the last few months, the Reserve Bank of India announced a 50 basis point cut in policy rate in April, 2012. More particularly for India, Investors will closely look at Government's policy action before further committing to long term capital investments in the country. Such policy actions include addressing infrastructure bottlenecks, raising FDI limits in retail and aviation, providing clarity with respect to GST and DTC rollout, having a roadmap for subsidy and fiscal deficit reduction etc.

Business Review

The performance of the company has been improved in the year under review. As the improved business strategy and plan of the Company enabled the company to achieve better results. The expected growth in the industry will really provide the opportunity to the Company to invest in selected high profile companies and opportunity in the commodities markets to further improve its performance in the years to come. On stability of the market conditions, the fund available with the Company will enable it to enter into the market in large scale, on appropriate time.

Your Company focuses on making investment/trading in such industry/products, which provides the company high revenue/gain as well as capital yield with cautious approach.

Directors' Report | continued

Opportunities & Challenges

Your Company, with its diversified portfolio of investments and trading strategy with available liquid funds was particularly well placed to benefits on improvement in the sentiment in market.

Risk & Concern

Company's performance is closely linked to Indian Capital and Commodities Markets and risk associated with market operations.

The value of Company's investments may be affected by factors affecting capital and/or commodities markets, such as price, volume, volatility, interest rates, and currency exchange rates, flow of foreign investments, changes in government policies, political, economic and other developments, inflation, crude oil prices and global economic performance.

Company believes that the long-term growth of Indian Economy, being emerging and developing remains intact though there would be several short-term upheavals like high inflation, interest rates in India etc.

The Company manages the risk by diversifying its investment portfolio, by maintaining a conservative financial profile, by following prudent business & risk management practices, hedging the risk of investments on the advice of the expertise equity/commodity research team engaged by the company.

Adequacy of Internal Control

The Company has an adequate system of internal control, which assures us of maintaining proper accounting records and reliability of financial information. The Company ensures adherence to all internal control polices and procedures as well as compliances with regulatory guidelines.

Human Resource Development

The Company has a team of able and experienced industry professionals. There is in place a well-defined in- house training program for its employees.

FIXED DEPOSITS

During the year Company has not accepted any fixed deposits from the public.

DIRECTORS

During the current year the Directors appointed Mr. Rajendra D. Shah, as Managing Director of the Company, subject to approval of the shareholders, with effect from 1st June 2013, for a term of 5 years. The term of office Mr. Harendra D. Shah, as Managing Director, will be completed on 31st May, 2013 and due to other commitment, Mr. Harendra D. Shah, expressed not to be re-appointed as Managing Director of the Company. However, Mr. Harendra D. Shah shall continue to remain a Non Executive Director of the Company.

The Directors placed on record the valuable service rendered by Mr. Harendra D. Shah, during his tenure as Managing Director of the Company.

In accordance with the Articles of Association of the Company, Mr. Sunil P. Shah, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

The Company's Auditors M/s Sundarlal, Desai & Kanodia, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting of the Company and, being eligible offer themselves for re-appointment. The company received letter from them to the effect that

Directors' Report | continued

their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

The Auditors Report to the Shareholders does not contain any reservation, qualification or adverse remark.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies (Amendment) Act 2000 the Directors confirm that:

- a) In the preparation of Annual Accounts for the financial year ended 31st March, 2013 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) They 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 at 31st March, 2013 and Profit of the company for the year ended on that date;
- c) 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 frauds and other irregularities;
- d) The Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees of your Company is drawing remuneration exceeding limits laid down under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

PARTICULARS UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

The relevant information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company as the Company is carrying on business of Investment and trading in shares and commodities.

FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange earning: Rs. NIL (Previous year Rs. NIL)

Foreign Exchange expenditure: Rs. NIL (Previous year Rs. NIL)

CORPORATE GOVERNANCE

A report on corporate governance pursuant to Clause 49 of the listing agreement is given in Annexure 'A'.

COMPLIANCE CERTIFICATE

A Certificate from the Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

DEMATERIALISATION

The Shares of the Company are traded compulsorily in demat form and are available for trading under both the Depository systems in India i.e. NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited)

Directors' Report | continued

Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE 966A01022

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of contribution made by employees at all levels, other business associates and for efficient services rendered by them.

CAUTIONARY STATEMENT

The statements in this report including Management's Discussion and Analysis report reflects Company's projections, estimates, expectations or predictions and contain forward looking statements that involve risks and uncertainty. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Readers are cautioned not to place undue reliance on these forward looking statements that speak only of the expectations as on the date.

For and on behalf of the Board
Harendra D. Shah
(Chairman & Managing Director)

Place: Mumbai
Date: 24th May, 2013
Registered Office:
203, City Center,
186, Purswakkam High Road,
Keleeyas, Chennai 600010.

Corporate Governance

“Annexure A”

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on corporate governance is aimed at strengthening the confidence of the shareholders in the Company and building a long-term relationship of trust with them by maintaining transparency and periodical disclosures.

Company is committed to achieving the highest international standards of Corporate Governance. Company believes that all its operations and actions must serve the underlying goal of enhancing overall Shareholders value, over a sustained period of time.

2. BOARD OF DIRECTORS:

a) Composition

Company's policy is to maintain optimum combination of Executive and Non-executive Directors. The Board of Directors of the Company is comprised of four directors of whom one is Executive Director and three are Non-Executive Directors, out of which two are Independent Directors.

b) Board Procedure

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairman of the other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting.

Matter discussed at Board meeting generally relates to company's investments and its performance, evaluation and advisability or otherwise their continuity, quarterly results of the company, review of the reports of the Audit Committee and compliance with their recommendations, suggestions, new investment proposals, non compliance of any regulatory, statutory or listing requirements.

c) Attendance of Directors at Meetings

Number of Board Meetings held and the dates on which held:

During the year under review, Board met 6 times on 11th May, 2012, 30th July, 2012, 14th August, 2012, 16th October, 2012, 14th November, 2012 and 13th February, 2013. The Company has held at least one Board meeting in every three months and the maximum time gap between any two meetings was not more than four months.

Attendance of each Director at the Board Meetings, last Annual General meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Directors in various Companies.

Name Of the Director	Category	Board Meetings attended	Last AGM	Other Directorships #	Committee Memberships #	Committee Chairmanships #
*Harendra D. Shah	NI/EC	6	Present	-	-	-
*Rajendra D. Shah	NI/NE	5	Present	-	3	-
Sunil P. Shah	I/NE	6	Present	-	3	3
Shashikant H. Gosalia	I/NE	6	Absent	-	3	-

*On 24.05.2013, subject to approval of the shareholders, Mr. Rajendra D. Shah appointed as Managing Director of the Company w.e.f. 01.06.2013. The term of office of Mr. Harendra D. Shah, Managing Director shall expire on 31.05.2013 and Mr. Harendra D. Shah, shall continue to remain as a non executive director of the Company.

Corporate Governance | continued

Directorship in Private Limited Companies is excluded.

NI/NE – Non-Independent/Non-Executive

EC – Executive Chairman

I – Independent

None of the Directors are nominee of any Institution.

Shri Sunil P. Shah, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

d) Remuneration paid to Managing Director and sitting fees paid to Non-Executive Independent Directors

e) Code of Conduct

The board has formulated a code of conduct for the Board members.

All the Board Members have affirmed their compliance with the code. A declaration to this effect signed by the Chairman of the Company is given in the Annual Report.

3. AUDIT COMMITTEE:

The Audit committee comprises of Independent Non-Executive and Non-Independent Non-Executive Directors having financial back ground and knowledge in the area of business of the company. The committee comprises of Mr. Rajendra D Shah who is Non-Independent Non-executive Director while Mr. Sunil P Shah and Mr. Shashikant H. Gosalia, are Independent Non-Executive Directors.

During the period under review, the Committee met 5 times on 11th May, 2012, 30th July, 2012, 14th August, 2012, 14th November, 2012 and 13th February, 2013. The numbers of meetings attended by each member during the year ended 31st March, 2013 are as under:

Name of the Member	Designation	No. of Meeting attended
Mr. Sunil P. Shah	Chairman	5
Mr. Shashikant H. Gosalia	Member	5
Mr. Rajendra D. Shah	Member	5

The terms of reference stipulated by the Board to the Audit Committee are as contained in clause 49 of the Listing Agreement and as per the responsibilities stated in Section 292A of the Companies Act, 1956. In brief the powers and responsibilities are

- Recommending the appointment/removal of Statutory Auditors, fixation of Auditors remuneration and also approval of payments for any other services.
- Reviewing with management the financial statements before submission of the same to the Board.
- Overseeing of Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing the adequacy of internal control systems & audit function in the company.
- Reviewing the Company's financial and risk management policies.
- Discussing with Statutory Auditors, any significant findings in their reports and follow up thereon and reviewing the reports furnished by them.

Corporate Governance | continued

4. REMUNERATION COMMITTEE:

The Company has set up a Remuneration Committee as required under the Listing Agreement and all matters relating to review and approval of compensation payable to the Executive and Non Executive Directors are considered by the Remuneration Committee and necessary recommendation are made by the Committee to the board for the approval within the overall limits fixed by the Board and subject to overall ceilings stipulated in section 198 and 309 and Schedule XIII of the Companies Act, 1956.

5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

The members of the Company's Shareholders /Investors Grievance Committee are:

- a) Mr. Sunil P. Shah - Chairman
- b) Mr. Shashikant H. Gosalia - Member
- c) Mr. Rajendra D. Shah - Member

Committee meets as and when required, to deal with the matters relating to transfer/transmission of shares and monitors redressal of complaints from shareholders relating to transfer, non receipt of balance sheets, dividend declared etc. All the correspondence received, were replied in time. For the purpose of investors grievance redressal the company created a separate email id : grievances@dolatinvest.com

6. GENERAL BODY MEETINGS:

Location, time and date of Company's last three Annual General Meetings are given below:

Year	Location of the Meeting	Date	Time
2009-2010	203, City Centre, 186, Purswakkam High Road, Keleeyes, Chennai 600010.	22/09/2010	11.00 A.M.
2010-2011	203, City Centre, 186, Purswakkam High Road, Keleeyes, Chennai 600010.	20/09/2011	11.00 A.M.
2011-2012	203, City Centre, 186, Purswakkam High Road, Keleeyes, Chennai 600010	18/09/2012	11.00 A.M.

None of the resolutions approved at the last Annual General Meeting required postal ballot approval. No resolution on matters requiring voting by postal ballot as per Section 192A is placed before the members at the ensuing meeting.

7. POSTAL BALLOT:

No postal ballot was conducted during the financial year 2012-2013.

8. EXTRA ORDINARY GENERAL MEETING (EGM):

During the period no Extra-Ordinary General Meeting was held.

9. DISCLOSURES:

- a) During the year no material transactions with the Directors or the Management, their subsidiaries or relatives etc. have taken place, which have potential conflict with the interest of the Company.
- b) There has been no non-compliance of the provisions / requirements of Stock Exchanges / SEBI or any other statutory authority on any matter relating to Capital Market.
- c) There were no pecuniary relationships or transactions with the Non-Executive Directors, except payment of sitting fee made to Non-Executive Independent Directors for meeting attended by them.

Corporate Governance | continued

- d) CEO/CFO Certification: The CEO and CFO certification of the financial statements and the cash flow statement for the year is enclosed separately at the end of the report.
- e) The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.
- f) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Annual Report:

Annual Report containing inter alia Audited Accounts, Financial Statements, Directors' Report, Auditors' Report and other important information are circulated to the members and others who are entitled to receive such information. The Annual Report is also available on the Company's website www.dolatinvest.com

10. MEANS OF COMMUNICATION:

- a) At present yearly statement of account is being sent to each shareholder.
- b) Quarterly results are generally published in one English and one vernacular newspaper on time i.e. "Trinity Mirror (in English) and Makkal Kural (in Tamil)".
- c) The Company has not made any presentation to any institutional investors or any analyst.
- d) Management Discussion and Analysis Report forms a part of Directors' Report.

11. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting

Date and Time	Wednesday the 18 th September, 2013 at 11.00 A.M.
Venue	At the Registered Office at 203, City Center, 186, Purswakkam High Road, Keleeyes, Chennai 600010.
Book Closure Date	Thursday the 12 th September, 2013 to Wednesday, the 18 th September 2013.

Financial Calendar 2012-13 (tentative)

Results for the Quarter Ended June, 2013	Second week of August, 2013
Results for the Quarter Ended September, 2013	Second week of November 2013
Results for the Quarter Ended December, 2013	Second week of February 2014
Results for the Quarter Ended March, 2014	Last week of May, 2014

Listing on the Stock Exchange : Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Tower, Dalal Street,
Mumbai-400 001

Stock Code No.: BSE – 505526

International Securities Identification Number (ISIN): INE966A01022

Corporate Governance | continued

- Annual Listing Fee for the year 2013-14 (as applicable) has been paid by the company to BSE
- Stock Price Data: High and Low during each month in last financial year Bombay Stock Exchange Ltd, Mumbai

DOLAT INVESTMENTS LTD				BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume of Shares (No)	High	Low
April, 2012	2.88	2.33	170,144	17664.10	17010.16
May, 2012	2.50	1.80	415,951	17432.33	15809.71
June, 2012	2.74	1.71	4,033,044	17448.48	15748.98
July, 2012	2.67	1.90	362,143	17631.19	16598.48
August, 2012	2.22	1.80	254,292	17972.54	17026.97
September, 2012	2.33	1.80	351,945	18869.94	17250.80
October, 2012	2.53	1.82	406,080	19137.29	18393.42
November, 2012	2.16	1.74	353,952	19372.70	18255.69
December, 2012	2.18	1.86	412,626	19612.18	19149.03
January, 2013	2.18	1.78	378,790	20203.66	19508.93
February, 2013	2.02	1.61	311,157	19966.69	18793.97
March, 2013	1.90	1.52	723,663	19754.66	18568.43

- Share Transfer System:

The Company has as per SEBI guidelines offered the facility for transfers of shares in dematted form through Depository Participant.

Distribution of Shareholdings as on 31st March 2013

No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	9724	89.74	10077349	5.73
5001-10000	498	4.60	3954442	2.25
10001-20000	265	2.45	3984567	2.26
20001-30000	129	1.19	3210281	1.82
30001-40000	45	0.41	1591273	0.90
40001-50000	38	0.35	17,39584	0.99
50001-100000	66	0.61	4636501	2.64
100001 & above	71	0.65	146806003	83.41
TOTAL	10836	100.00	176000000	100.00

Corporate Governance | continued

- Categories of Shareholdings as on 31st March, 2013

Category	No. of Equity Shares	% of Equity Shares
Promoters	13,08,12,637	74.33
Foreign Promoters	Nil	Nil
Persons acting in Concert	Nil	Nil
Mutual Funds	Nil	Nil
Banks, Financial Institutions Cent./State Govt. Inst./Non- Govt. Inst.	Nil	Nil
Foreign Institutional Investors	Nil	Nil
Private Corporate Bodies	29,21,439	1.66
Indian Public	4,18,56,613	23.78
NRIs / OCBs	3,57,299	0.20
Clearing Members	52,012	0.03
TOTAL	17,60,00,000	100.00

Secretarial Audit:

A qualified Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical and dematerialized form.

Dematerialization of shares as on 31st March, 2013:

The Company entered into agreements with National Securities Depository Limited (NSDL), Mumbai and Central Depository Services (India) Limited (CDSL), Mumbai facilitating the Electronic Transfer through dematerialization of Company's Shares.

The following table shows the number of shares held in demat and physical form:

Mode of Holding	No. of shares	% of No. of Shares
Physical Form	281600	0.160
NSDL	157741762	89.626
CDSL	17976638	10.214
Total	176000000	100.00

- Dematerialization of Shares: Trading in Equity Shares of the Company is permitted only in dematerialized form. The ISIN No. is INE966A01022. Up to 31.3.2013, 99.84% of its equity shares are dematerialized.
- Outstanding GDRs/ADRs/Warrants or any other Convertible instruments, conversion date: NONE

Corporate Governance | continued

- Address for Investors Correspondence:

Corporate Office:

Mr. Umesh V. Moolya
Company Secretary
301-308, 3rd Floor,
Bhagwati House, Plot No A/19,
Veera Desai Road, Andheri (West),
Mumbai 400 058
Email:grievances@dolainvest.com

- Registrar and Transfer Agents:
Purva Sharegistry (India) Private Limited
No.9, Shiv Shakti Industrial Estate,
Ground Floor, J.R.Boricha Marg,
Lower Parel (East), Mumbai 400011.

12. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

The Auditors Certificate on compliance of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

13. DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT:

The Board has formulated a code of conduct for the Board members of the Company. It is hereby affirmed that all the Directors have complied with the code of conduct framed by the company and a confirmation to that effect has been obtained from the Directors of the company.

14. REVIEW OF GOVERNANCE PRACTICES:

We have in this report attempted to present the governance practices and principles being followed at the Company, as evolved over the years, and as best suited to the needs of our business and stakeholders. Our discussion and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the recognized practices of governance, so as to meet the expectations of our entire stakeholder.

15. STATUS OF COMPLIANCE WITH NON MANDATORY REQUIREMENTS:

a) Shareholders Rights:

The quarterly, half-yearly and annual financial results of the company are published in English and Tamil newspapers having wide circulation and they are uploaded on the Company's web-site. Hence, half-yearly declaration of financial performance is not sent to each household of shareholders.

b) Tenure of Independent Directors:

The Board has not laid down any specific maximum tenure for the Independent Directors.

c) Audit Qualifications:

The Company has initiated measures to move towards a regime of unqualified financial statements.

d) Training of Board Members:

The Directors of the company are senior professionals of high standing and experience in corporate sector and the industry in which the company operates. They are kept informed of the business model, growth factors and the risk profile of the Company. Hence the Company has not laid down any formal training mechanism for its Directors.

Corporate Governance | continued

e) Mechanism for evaluating Non-Executive Board Members:

The Non-Executive Directors of the Company are professional from diverse fields relevant to the Company's business requirements and have long standing experience and expertise in their respective fields.

Non -Executive Directors add substantial value to the deliberations of the Board and Committee thereof, besides giving guidance on matters referred to them from time to time. They also play an important role in safeguarding the interests of the stakeholders.

In the light of the above, the Chairman under authority from the Board evaluates the performance of each Non-Executive Director.

f) Whistle Blower Policy:

Though the Company does not have a formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. The company promotes ethical behavior in all its business activities. All employees are free to approach the Audit Committee to raise their concern relating to fraud, malpractice or any other activity or event which is against the Company's interest.

For and on behalf of the Board

HARENDRA D. SHAH

CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai

Date: 24th May, 2013

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a "Code of Conduct" for all Board Members and senior management of the Company.

I confirm that Company has in respect of the financial year ended 31st March 2013, received from the Board Members & Senior Management Personnel of the company a declaration of compliance with the "Code of Conduct" as applicable to them.

HARENDRA D. SHAH

CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai

Date: 24th May, 2013

CEO AND CFO CERTIFICATION

We, Harendra D. Shah, Chairman & Managing Director and Vaibhav P. Shah, Chief Financial Officer, respectively, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

Corporate Governance | continued

- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) There has not been any significant change in control over financial reporting during the year under reference;
 - ii) Significant changes in accounting policies during the year, and that the same have been disclosed in the notes to financial statements; andWe are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Date: 24th May, 2013

Harendra D. Shah
Chairman & Managing Director

Vaibhav P. Shah
Chief Financial Officer

Corporate Governance | continued

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

COMPLIANCE CERTIFICATE

To The Members Of

Dolat Investments Limited

We have examined the Compliance of the conditions of Corporate Governance by DOLAT INVESTMENTS LIMITED for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchange.

The Compliance of the 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 the above-mentioned Listing Agreement.

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

For Sundarlal, Desai & Kanodia
Chartered Accountants

Mukul B. Desai
Partner

Membership No.: 33978

Place: Mumbai

Date: 24th May, 2013

Auditors' Report

Auditors' Report to the Members of Dolat Investments Limited

Report on the financial statements

We have audited the accompanying financial statements of Dolat Investments Limited (the company), which comprise the balance sheet as at 31 March 2013, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the balance sheet, of the state of affairs of the company as at 31 March 2013.
- b. In the case of the statement of profit and loss, of the profit for the year ended on that date, and
- c. In the case of the cash flow statement, of the cash flows for the year ended on that date.

Auditors' Report | continued

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement 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 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sundarlal, Desai & Kanodia

Chartered Accountants

Firm registration number: 110560W

Mukul B. Desai

Partner

Membership No.: 33978

Place: Mumbai

Date: 24th May, 2013

Auditors' Report | continued

Auditors' report to the members of Dolat Investments Limited

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Dolat Investments Limited (the company)

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. There was no disposal of a substantial part of fixed assets during the year.
 - a. The inventory (being shares, securities & commodities) has been physically verified (wherever possible) during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material.
- iii.
 - a. According to the information and explanations given to us, the company has not taken or granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b. We do not have any comment under clause 4(iii)(b), (c), (d), (f) & (g) of the Companies (Auditor's report) Order, 2003 as the company has not borrowed or advanced any loan from/to parties listed in register u/s. 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory (being shares, securities & commodities) and fixed assets and with regards to the trading of shares, securities & commodities. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v.
 - a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

Auditors' Report | continued

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. Based on our scrutiny of the company's records and according to information and explanation provided by the management, in our opinion the company has not accepted any public deposit.
- vii. In our opinion, the company is having an internal audit system commensurate with the size and nature of its business.
- viii. In our opinion, Rules made by the Central Government for the maintenance of any cost records u/s 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- ix. a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues wherever applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues wherever applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of sales tax, customs duty, wealth tax, excise duty, service tax and cess wherever applicable which are in dispute. However in case of Income Tax, case is pending on account of rectification filed before the Asst. Commissioner of Income Tax, Mumbai.

Name of the statute	Nature of the dues	Amount of Tax (Rs.)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	32,72,650/-	A.Y. 2009-2010	ACIT, Mumbai

- x. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Auditors' Report | continued

- xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- xiv. In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, debentures and other securities have been held by the Company, in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the Company has not raised any term loans during the financial year under audit.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- xix. According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of para 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. During the period covered by our audit report, the Company has not raised any money by public issues.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Sundarlal, Desai & Kanodia

Chartered Accountants

Firm registration number: 110560W

Mukul B. Desai

Partner

Membership No.: 33978

Place: Mumbai

Date: 24th May 2013

Balance Sheet as at 31st March, 2013

Particulars	Notes	31st March, 2013 (₹)	31st March, 2012 (₹)
EQUITY AND LIABILITIES:			
SHAREHOLDERS' FUNDS			
Share Capital	3	176,000,000.00	176,000,000.00
Reserves and Surplus	4	745,414,481.69	666,302,353.74
		<u>921,414,481.69</u>	<u>842,302,353.74</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	5	26,077.50	48,424.86
Long Term Provisions	6	11,024,734.00	244,790.00
		<u>11,050,811.50</u>	<u>293,214.86</u>
CURRENT LIABILITIES			
Trade Payables	7	652,230.00	2,542,968.75
Other Current Liabilities	8	13,982,889.43	42,853,194.73
Short Term Provision	9	1,317,123.00	-
		<u>15,952,242.43</u>	<u>45,396,163.48</u>
Grand Total		<u>948,417,535.62</u>	<u>887,991,732.08</u>
ASSETS:			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10	713,247.00	882,028.00
Non-Current Investments	11	1,100.00	1,100.00
		<u>714,347.00</u>	<u>883,128.00</u>
Total (A)		<u>714,347.00</u>	<u>883,128.00</u>
CURRENT ASSETS			
Current Investments	12	738,980.00	738,980.00
Inventories	13	559,449,054.00	564,754,419.00
Trade Receivables	14	307,329,339.04	80,691,579.57
Cash and Cash Equivalents	15	68,801,098.08	224,253,648.12
Short-term Loans and Advances	16	11,384,717.50	16,141,844.40
Other Current Assets	17	-	528,133.00
		<u>947,703,188.62</u>	<u>887,108,604.09</u>
Total (B)		<u>947,703,188.62</u>	<u>887,108,604.09</u>
Grand Total (A+B)		<u>948,417,535.62</u>	<u>887,991,732.09</u>
Significant Accounting Policies	2		

Notes are an integral part of the Financial Statements.

As per our attached report of even date

For Sundarlal, Desai & Kanodia
Firm Registration No. 110560W
Chartered Accountants

For and on behalf of the Board of Dolat Investments Ltd.

Mukul Desai
Partner
Membership No. 33978

Harendra D. Shah
(Managing Director)

Shashikant H. Gosalia
(Director)

Umesh V. Moolya
(Company Secretary)

Place : Mumbai
Date : 24th May, 2013

Statement of Profit & Loss For the year ended 31st March, 2013

Particulars	Note	31st March, 2013 (₹)	31st March, 2012 (₹)
Revenue from Operations	18	2,165,834,136.28	2,172,263,007.64
Other Income	19	1,475,591.49	8,087,856.50
Total Revenue (I)		2,167,309,727.77	2,180,350,864.14
Expenses:			
Purchase of traded goods	20	2,012,160,810.25	2,666,482,426.50
Changes in Inventories of traded goods	21	5,305,365.00	(564,754,419.00)
Employee Benefit Expenses	22	11,185,398.00	14,953,560.00
Finance Costs	23	1,391,916.97	3,160,120.37
Depreciation and Amortization Expenses	10	168,781.00	232,731.00
Provision for diminution in the value of commodities futures		1,317,123.00	-
Other Expenses	24	19,421,610.96	48,651,536.15
Total Expenses (II)		2,050,951,005.18	2,168,725,955.02
Profit Before Tax		116,358,722.59	11,624,909.13
Tax Expense:			
Current Tax		38,345,277.00	2,150,000.00
Tax Adjustment of earlier years		(1,076,335.00)	(376.00)
Deferred Tax		(22,347.36)	18,651.86
Total Tax Expense		37,246,594.64	2,168,275.86
Profit For The Period		79,112,127.95	9,456,633.26

Earning per Equity Share [Nominal Value of Share Re. 1] (31st March 2012 - Re. 1)

(1) Basic	0.45	0.05
(2) Diluted	0.45	0.05

Significant Accounting Policies 2

Notes are an integral part of the Financial Statements.

As per our attached report of even date

For Sundarlal, Desai & Kanodia

Firm Registration No. 110560W

Chartered Accountants

For and on behalf of the Board of Dolat Investments Ltd.

Mukul Desai
Partner
Membership No. 33978

Harendra D. Shah
(Managing Director)

Shashikant H. Gosalia
(Director)

Umesh V. Moolya
(Company Secretary)

Place : Mumbai
Date : 24th May, 2013

Cash Flow Statement for the year ended 31st March, 2013

	For the year ended 31-03-2013 (₹)	For the year ended 31-03-2012 (₹)
<u>(A) CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before tax and extraordinary items	116,358,722.59	11,624,909.13
Adjustment for :		
Depreciation	168,781.00	232,731.00
Dividend on Shares/Mutual Fund	(31.50)	(3,058.50)
Investment Written off	-	400.00
Share Investment Income	-	454,450.17
Employee Benefit	1,369.00	(131,676.00)
Interest on delayed payment of advance Tax	1,254,723.00	-
Provision for diminution in the value of current assets	-	75,740.00
Provision for dim. in value of Futures	-	(3,196,599.69)
Provision for dim. in value of Commodities Futures	1,317,123.00	(849,585.00)
Provision for dim. in value of Options	-	(16,957.51)
Operating Profit before Working Capital Changes and Provisions	119,100,687.09	8,190,353.60
Adjustment for Changes in Working Capital :		
Inventory	5,305,365.00	(461,438,919.00)
Trade Payables	(1,890,738.75)	(66,484,160.02)
Other Current Liabilities	(29,099,935.30)	41,675,989.34
Trade Receivable	(226,637,759.48)	244,597,650.49
Short Term Loans and advances	(1,614,966.10)	(3,301,312.39)
Other Current Assets	528,133.00	1,011,675.88
Cash Generated/(used) in operations	(134,309,214.54)	(235,748,722.11)
Direct Taxes Paid (including Tax on Dividend) (Net)	(21,143,367.00)	(14,308,480.00)
Net Cash from Operating Activities	(155,452,581.54)	(250,057,202.11)
<u>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</u>		
Purchase/Sale of Investments	-	(454,450.17)
Dividend Received	31.50	3,058.50
Net Cash from Investing activities	31.50	(451,391.67)
<u>(C) CASH FLOW FROM FINANCING ACTIVITIES</u>		
	-	-
Net Inc./(Dec.) in Cash & Cash equivalents [A+B+C]	(155,452,550.04)	(250,508,593.78)
Cash & Cash Equivalents- Opening Balance	224,253,648.12	474,762,241.90
Cash & Cash Equivalents- Closing Balance	68,801,098.09	224,253,648.12

As per our attached report of even date

For Sundarlal, Desai & Kanodia
Firm Registration No. 110560W
Chartered Accountants

For and on behalf of the Board of Dolat Investments Ltd.

Mukul Desai
Partner
Membership No. 33978

Harendra D. Shah
(Managing Director)

Shashikant H. Gosalia
(Director)

Umesh V. Moolya
(Company Secretary)

Place : Mumbai
Date : 24th May, 2013

Significant accounting policies and notes to financial statements for the year ended 31 March, 2013

1. Corporate Information

Dolat Investments Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Ltd. The company is engaged in the trading in shares, securities and the commodities through various stock/commodities exchanges.

2. Significant accounting policies

2.1 Basis of preparations

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provision of the Companies Act 1956. The financial statements have been prepared on an accrual basis and under the historical cost conventions. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

2.2 Use of Estimates:

The presentation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized

2.3 Revenue Recognition:

- a) Income from Shares & Securities trading is recognized as income or loss on the date of actual trade and are shown net of brokerage expenses.
- b) Incomes in respect of derivative contracts are accounted in respect of expired contracts.
- c) In respect of derivative contracts open as on balance sheet date, treatment is given as per Guidance Note on Accounting for Equity Index and Equity/Stock Futures & Options issued by The Institute of Chartered Accountants of India.

Futures contracts: Amounts received or paid are credited or debited respectively to Mark to Market Margin account and anticipated losses are provided for in the Statement of Profit & Loss.

Options contracts: Premium paid on Option Contracts is carried forward to next financial year. Profits are not considered but provision for loss is made in the Statement of Profit & Loss.

- d) The dividend income is accounted for when the right to receive the payment is established whereas, interest income and other income is accounted on accrual basis.
- e) In respect of commodities derivative contracts open as on balance sheet date, amounts received and paid are credited and debited respectively to Mark to Market Margin account and anticipated loss are provided for in the Statement of Profit & Loss.
- f) Sales

The amount recognized as sale is exclusive of sales tax/VAT and are net of returns and excludes freight and other charges and accounted for at time when the invoices are raised.

Significant accounting policies and notes to financial statements for the year ended 31 March, 2013 | continued

2.4 Fixed Assets and Depreciation:

- a) Tangible fixed assets are stated at cost less accumulated depreciation/impairment losses if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.
- b) Depreciation on tangible fixed assets is provided on written down value method at the rate specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale/deduction from the fixed asset is provided for upto the date of sale/deduction as the case may be.

2.5 Impairment of Assets:

At each balance sheet date, the Company reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows.

2.6 Investments:

Investments are either classified as current or long term based on Managements intention at the time of purchase. Investments that are intended to be held for one year or more are classified as long term investments and investments that are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary in the carrying value of each investment. Current investments are valued at the lower of cost and fair value of each investment individually.

2.7 Stock in trade

- a) The securities acquired with the intention of short term holding and trading are considered as stock-in-trade and shown under current assets.
- b) Equity Shares held as stock-in-trade under current assets are valued at cost or market value, whichever is lower on FIFO basis.
- c) Commodities Stock held as stock-in-trade under current assets are valued at cost or market value, whichever is lower on FIFO basis

2.8 Employee Benefits

- a) The Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and year of employment with the Company.

Liability for above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the projected unit credit method. The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss of the year without resorting to any amortization.

- b) The provisions of provident fund laws are not applicable in view of number of employees of the company being less than the prescribed number.
- c) As per company's policy, no encashment of leave to any employee is allowed

Significant accounting policies and notes to financial statements for the year ended 31 March, 2013 | continued

2.9 Taxes on Income:

- a) Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).
- b) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future.
- c) Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.
- d) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

2.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as results of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in Notes to Accounts, while contingent assets are neither recognized nor disclosed in the financial statements.

2.11 Cash Flow Statement

Cash flow statements are prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 – Cash Flow Statements as prescribed under section 211(3C) of the Companies Act 1956.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Basic Earning per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of shares outstanding during the year.

Notes forming part of the Financial Statement

3 SHARE CAPITAL	31st March, 2013 (₹)	31st March, 2012 (₹)
Authorized Shares		
18,10,00,000 Equity Shares Of Re. 1/- Each	181,000,000.00	181,000,000.00
Issued, Subscribed and Paid-Up:		
17,60,00,000 (P.Y. 17,60,00,000) Equity Shares of Re. 1/- each	176,000,000.00	176,000,000.00
Total issued, subscribed and fully paid up share capital	176,000,000.00	176,000,000.00

Reconciliation of Outstanding Shares:

Particulars	31st March 2013		31st March 2012	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	176,000,000	176,000,000	176,000,000	176,000,000
Add: Issued during the year	--	--	--	--
At the end of the year	176,000,000	176,000,000	176,000,000	176,000,000

Terms/ Rights Attached to Equity Shares:

The company has only one class of equity shares having par value of Re 1 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders Holding more than 5% Shares of the Company:

Name of the Shareholder	As at 31 March 2013		As at 31 March 2012	
	Number	Percentage	Number	Percentage
Shailesh D. Shah	34,186,970	19.42	34,186,970	19.42
Dolat Capital Market Pvt. Ltd.	23,484,400	13.34	23,484,400	13.34
Purvag Commodities & Deri. Pvt. Ltd	16,563,124	9.41	16,563,124	9.41
Jigar Commodities & Deri. Pvt. Ltd	16,159,218	9.18	16,159,218	9.18
Pankaj D. Shah	15,150,731	8.61	15,150,731	8.61

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Fully paid up pursuant to contract(s) without payment

being received in cash

	--	--
Fully paid up by way of bonus shares#	88,000,000.00	88,000,000.00

Shares bought back

	--	--
--	----	----

The bonus shares were issued in the financial year 2007-2008

Notes forming part of the Financial Statement | continued

4 RESERVES AND SURPLUS	31st March, 2013	31st March, 2012
	(₹)	(₹)
a) General Reserve : -		
- Opening Balance	108,233,504.00	108,233,504.00
- Add: Transferred from surplus balance in statement of profit & loss	--	--
Closing Balance	108,233,504.00	108,233,504.00
b) Surplus : -		
- Opening Balance	558,068,849.74	548,612,216.48
- Add: Profit for the period	79,112,127.95	9,456,633.26
- Less: Appropriations:		
Transferred to General reserve	--	--
Net surplus in the statement of profit & loss	637,180,977.69	558,068,849.74
Total reserves and surplus	745,414,481.69	666,302,353.74
5 DEFFERED TAX LIABILITIES (NET)		
Deffered Tax Liabilities		
Difference between book and tax depreciation	104,952.50	127,846.86
Deffered Tax Assets		
Provision for group gratuity for employees	78,875.00	79,422.00
	26,077.50	48,424.86
6 LONG TERM PROVISION		
For Employee Benefit		
- Provision For Gratuity	243,104.00	244,790.00
	243,104.00	244,790.00
Others :		
- Provision for Income Tax (Net of Advance Tax and TDS)	10,781,630.00	--
	10,781,630.00	--
	11,024,734.00	244,790.00
7 TRADE PAYABLE		
Trade Payable to micro and small enterprises	--	--
Others	652,230.00	2,542,968.75
	652,230.00	2,542,968.75

Notes forming part of the Financial Statement | continued

8 OTHER CURRENT LIABILITIES	31st March, 2013	31st March, 2012
	(₹)	(₹)
a) Unpaid Dividend	325,236.80	327,247.75
b) Other Payables:		
- TDS Payable	78,313.00	18,795.00
- Other Statutory Dues Payable	314,088.70	84,852.45
- Other Liabilities	13,265,250.93	42,422,299.53
	13,657,652.63	42,525,946.98
	13,982,889.43	42,853,194.73
9 SHORT TERM PROVISIONS		
Provision for diminution in the value of commodities futures	1,317,123.00	--
	1,317,123.00	--

10 TANGIBLE ASSETS :

Particular	GROSS CARRYING AMOUNT				DEPRECIATION			NET CARRYING AMOUNT	
	As at 01.04.2012	Addition/adjustment	Deduction	As at 31.03.2013	As at 01.04.2012	For the Year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Air Conditioners	1,877,730.00	-	-	1,877,730.00	1,607,268	37,621.00	1,644,889.00	232,841.00	270,462.00
Intercom System*	78,727.00	-	-	78,727.00	74,858	(67.00)	74,791.00	3,936.00	3,869.00
Furniture	911,108.00	-	-	911,108.00	806,032	19,019.00	825,051.00	86,057.00	105,076.00
Elec. Installation	150,549.25	-	-	150,549.25	135,478	2,096.00	137,574.25	12,975.00	15,071.00
Computer*	985,865.00	-	-	985,865.00	938,880	(2,308.00)	936,572.00	49,293.00	46,985.00
Office Equipments	40,850.00	-	-	40,850.00	27,146	1,906.00	29,052.00	11,798.00	13,704.00
Motor Car	1,049,455.00	-	-	1,049,455.00	622,594	110,514.00	733,108.00	316,347.00	426,861.00
Total	5,094,284.25	-	-	5,094,284.25	4,212,256.25	168,781.00	4,381,037.25	713,247.00	882,028.00

Note *

Depreciation for year in case of Intercom system and computer is reversal of excess depreciation provided in the earlier year. The depreciation for the year on these assets is not provided in view of accumulated depreciation being 95% of the original cost of those assets.

11 NON -CURRENT INVESTMENT

(I) Non Trade investment:

a. Investment in Equity Shares: (Unquoted) -Associate company

700(31.03.2012: 700) Equity Shares with face value of Rs. 10/- each full paid up of Nirshilp Securitit Pvt. Ltd.	1,100.00	1,100.00
	1,100.00	1,100.00

12 CURRENT INVESTMENT

Investment in mutual funds (Unquoted)

100000(31.03.2012:100000)LIC Nomura MF Top 100 Fund (FV:Rs. 10) (NAV as on 31.12.2013 Rs. 7.89 (31.03.2012: Rs.7.39)	738,980.00	738,980.00
	738,980.00	738,980.00
Provision for diminution in the value of investment	--	75,740.00

Notes forming part of the Financial Statement | continued

13 INVENTORIES	31st March, 2013	31st March, 2012
	(₹)	(₹)
(Valued at lower of cost and net realisable value)		
Stock-in-Trade (Trading Goods)	559,449,054.00	564,754,419.00
	559,449,054.00	564,754,419.00
14 TRADE RECEIVABLE		
Unsecured, considered good:-		
Outstanding for more than 6 months from the date they are due for payment	--	--
Others	307,329,339.04	80,691,579.57
	307,329,339.04	80,691,579.57
15 CASH AND BANK BALANCES:		
CASH AND CASH EQUIVALENTS:		
Balance with Banks:		
- On current account	68,133,804.43	113,813,553.52
Cash on Hand	342,026.85	112,816.85
	68,475,831.28	113,926,370.37
OTHER BANK BALANCES:		
Balance in Unpaid Dividend Account	325,266.80	327,277.75
Fixed Deposits with original maturity of more than 12 months	-	110,000,000.00
	325,266.80	110,327,277.75
	68,801,098.08	224,253,648.12
16 SHORT TERM LOANS AND ADVANCES		
Advance income tax (Net of provision for tax)	-	6,369,038.00
Prepaid Expenses	-	969,380.00
Advance to Staff	465,827.00	781,627.00
Others	10,918,890.50	8,021,799.40
	11,384,717.50	16,141,844.40
17 OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	--	528,133.00
	--	528,133.00

Notes forming part of the Financial Statement | continued

18 REVENUE FROM OPERATIONS:	31st March, 2013	31st March, 2012
	(₹)	(₹)
(a) Sale of Products:		
Traded Goods	2,053,503,762.67	2,120,295,814.66
(b) Income from Shares & Securities trading	-	51,117,607.98
(c) Other Operating Revenue		
Reversal of Provision for Diminution in the value of Commodity Futures	-	849,585.00
MTM on Hedged Commodities Futures	112,330,373.61	-
Revenue From Operations	2,165,834,136.28	2,172,263,007.64
DETAILS OF PRODUCTS SOLD:		
Castor oil	147,670,500.00	274,074,000.00
Castor Seed	364,953,771.76	506,671,181.30
Cotton Seed wash oil	801,752,850.00	397,633,000.00
Paddy	362,063,055.00	900,546,714.00
Silver	310,140,885.91	37,738,919.36
Raw Wool	66,922,700.00	-
Soya oil	-	3,632,000.00
	2,053,503,762.67	2,120,295,814.66
19 OTHER INCOME:		
Interest Income on:		
- From Bank on Fixed Deposits	1,433,670.00	8,084,798.00
	1,433,670.00	8,084,798.00
Dividend Income on		
- Current investments	31.50	3,058.50
	31.50	3,058.50
Other Non-Operating Income	41,889.99	--
	1,475,591.49	8,087,856.50
20 PURCHASE OF TRADED GOODS:		
Castor Seed	304,586,661.00	545,917,875.00
"Castor Oil"	144,806,600.00	268,900,000.00
Cotton Seed Wash Oil	786,886,500.00	390,420,000.00
Paddy	355,540,500.00	884,617,200.00
Silver	183,560,626.89	573,067,351.50
Soya Oil	-	3,560,000.00
HR Coil	140,418,000.00	-
Raw Wool	65,776,450.00	-
Kapaskhali	9,697,738.04	-
Cotton	20,887,734.32	-
	2,012,160,810.25	2,666,482,426.50
DETAILS OF INVENTORIES OF TRADED GOODS		
Silver	388,445,582.00	513,895,044.00
Caster Seed	-	50,859,375.00
Kapaskhali	9,697,738.00	-

Notes forming part of the Financial Statement | continued

Cotton	20,887,734.00	-
HR Coil	140,418,000.00	-
	559,449,054.00	564,754,419.00

21 CHANGE OF INVENTORIES OF TRADED GOODS

Inventories of Traded Goods at the end of the year	559,449,054.00	564,754,419.00
Inventories of Traded Goods at the beginning of the year	564,754,419.00	-
	5,305,365.00	(564,754,419.00)

22 EMPLOYEES BENEFIT EXPENSES

Salaries, wages and bonus	9,889,613.00	13,637,923.00
Directors Remunerations	900,000.00	1,050,000.00
Staff welfare expenses	394,416.00	397,313.00
Current Service Cost	1,369.00	(131,676.00)
	11,185,398.00	14,953,560.00

23 FINANCE COST

Interest Expenses(#)	1,390,990.00	3,140,086.37
Bank charges	926.97	20,034.00
	1,391,916.97	3,160,120.37

(#) Note: Interest expenses includes Rs. 12,54,723/- on account of interest on short payment of advance tax (previous year Rs. Nil).

24 OTHER EXPENSES

Particulars		
Rent	728,109.40	265,770.00
Repairs and maintenance:		
- Building	112,456.00	92,376.00
- Computers	86,673.00	89,778.00
Securities Transaction Tax	-	10,049,007.00
Professional Charges-Dealers	9,940,500.00	13,210,534.00
Donations-175% 35 (I) (II)	1,500,000.00	1,500,000.00
Reduction in the value of current investments	-	75,740.00
Keyman Insurance Charges	969,380.00	2,406,964.00
Director sitting fees	192,000.00	192,000.00
Payment to Auditor (refer details below)	101,124.00	55,150.00
Share Investment Loss	-	454,450.17
Delivery & Warehousing Charges	2,901,592.38	1,833,394.70
MTM on Hedged Commodities Futures	-	13,865,795.61
Miscellaneous Expenses	2,889,776.18	4,560,576.67
Total	19,421,610.96	48,651,536.15

PAYMENT TO AUDITOR

As Auditors:		
- Audit fee	16,854.00	16,545.00
- Tax audit fee	11,236.00	11,030.00
In Other Capacity:		
- Taxation matters	28,090.00	27,575.00
- Other services (certification fees)	44,944.00	-
	101,124.00	55,150.00

Notes forming part of the Financial Statement | continued

25. Contingent liability not provided in respect of Income Tax liability of A.Y. 2009-10 of ₹ 32,72,650/- for which rectification under section 154 of the Income Tax Act,1961 is pending before the Income Tax Department.
26. Accounting policy related to employee's benefits of gratuity and other benefits is accounted in accordance with AS 15 (Revised)-"Employees Benefit". In the opinion of the management, the provisions of provident fund laws are not applicable in view of number of employees of the company being less than the prescribed number. No provision for leave encashment is made during the year in view of company's policy of not allowing encashment and accumulation of eligible leave.
- The Company is recognizing and accruing the employees benefits as per accounting standard (AS) -15 On "Employees Benefits"

Details are given below:-

Assumptions	2012-2013	2011-2012
Discount Rate	8.00%	8.00%
Salary Escalation	3.00%	3.00%
Change in Benefit Obligation	2012-2013	2011-2012
Liabilities at the beginning of the year	2,59,924.00	3,90,357.00
Interest Cost	20,794.00	31,229.00
Current Service Cost	1,32,324.00	1,81,850.00
Benefit Paid	-	-
Add: Actuarial Loss/(Gain) on obligations	(1,50,122.00)	(3,43,512.00)
Liabilities at the end of the year	2,62,920.00	2,59,924.00
Change in fair value of Plan Assets	2012-2013	2011-2012
Fair value of the plan assets at the beginning of the year	15,134.00	12,788.00
Actual Return on the plan assets	1,627.00	1,243.00
Contributions	3,055.00	1,103.00
Benefits Paid	-	-
Fair value of the plan assets at the end of the year	19,816.00	15,134.00
The amount to be recognized in the Balance Sheet	2012-2013	2011-2012
Present value of the obligation as at the end of the year	2,62,920.00	2,59,924.00
Present value of the plan assets as at the end of the year	19,816.00	15,134.00
Funded Status	(243104.00)	(2,44,790.00)
Net liability recognized in Balance Sheet	(243104.00)	(2,44,790.00)
Expenses recognized in the Statement of Profit & Loss A/c	2012-2013	2011-2012
Current Service Cost	1,32,324.00	1,81,850.00
Interest Cost	20,794.00	31,229.00
Expected Return on Plan Assets	1,627.00	1,243.00
Actuarial gain/(loss) on obligation	1,50,122.00	(3,43,512.00)
Net Actuarial Gain/(Loss) recognized in the year	(1,369.00)	1,31,676.00
Expenses recognized in Statement of Profit & Loss A/c	(1,369.00)	1,31,676.00

27. Segment Reporting:

The company has identified business segment as the primary segment after considering all the relevant factors. The companies trading and investment activities are carried out primarily in India and as such there are no reportable geographical segments.

The expenses, which are not directly identifiable to a specific business segment, are clubbed

Notes forming part of the Financial Statement | continued

under “Unallocated Corporate Expenses” and similarly, the common assets and liabilities, which are not directly identifiable to a specific segment are clubbed under “Unallocated Corporate Assets/Liabilities on the basis of reasonable estimates.

Segment Revenue, Results and Other Information.

	2012-13	2011-12
	Amount (₹)	Amount (₹)
a) Segment Revenue		
Shares & Securities	-	50,666,216.31
Commodities	2,165,834,136.28	2,107,279,604.05
Total	2,165,834,136.28	2,157,945,820.36
b) Segment Results		
Shares & Securities	-	27,281,351.86
Commodities	117,750,639.56	3,153,601.85
Total	117,750,639.56	30,434,953.71
Less: Unallocable Expenses (Net of Income)	-	15,649,924.22
	117,750,639.56	14,785,029.49
Less: Interest & Finance Charges	1,391,916.97	3,160,120.37
Profit Before Tax	116,358,722.59	11,624,909.12
<u>Provision for Tax</u>		
Income Tax	38,345,277.00	2,150,000.00
Tax Adjustment of earlier years	(1,076,335.00)	(376.00)
Deferred Tax Expense / (Credit)	(22,347.36)	18,651.86
Profit After Tax	79,112,127.95	9,456,633.26
b) Segment Assest and Liabilites		
Shares & Securities	-	722,940.00
Commodities	920,027,790.89	607,404,137.24
Unallocated corporate Assets less Liabilities	1,386,690.80	234,175,276.51
Total	921,414,481.69	842,302,353.75

Notes forming part of the Financial Statement | continued

28. Related parties disclosures

i. **Key Management Personnel**

Harendra D. Shah, Rajendra D. Shah & Pankaj D. Shah

ii. **Relative of Key Management Personnel**

Shailesh D. Shah

iii. **Associates**

Purvag Commodities & Derivatives Pvt. Ltd.,

iv. **Transactions carried out with Related Parties referred above in ordinary course of business :**

(Rs. in Lacs)

Sr. No.	Nature of Transactions	2012-2013			2011-12		
		Key Mgt. Personnel	Relative of Key Mgt. Personnel	Associates	Key Mgt. Personnel	Relative of Key Mgt. Personnel	Associates
2	Directors Remuneration	9.00	-	-	10.50	-	-
3	Brokerage Paid	-	-	13.41	-	-	146.29
4	Electricity Charges Paid	2.50	-	-	-	-	1.96
5	Telephone Charges	0.38	-	-	0.38	-	-
6	Rent Paid	5.53	1.75	-	1.42	1.15	-
7	Other outstanding balance as on balance sheet date						
	- Receivable from brokers	-	-	3073.29	-	-	806.92
	- Payable to brokers	-	-	6.52	-	-	25.43

Related party relationship have been identified by the management and relied upon by the auditors.

29. Basic & Diluted Earning / (Loss) per shares

Particulars	2012-2013	2011-2012
Net Profit Attributable to equity shareholders (Rs. in Lakhs)	791.12	94.57
Weighted Number of Outstanding equity shares for Basic EPS Face Value Re 1 each	17,60,00,000	17,60,00,000
Weighted Number of Outstanding equity shares for Diluted EPS Face Value Re 1 each	17,60,00,000	17,60,00,000
Basic Earning Per Shares (EPS) (Rs.)	0.45	0.05
Diluted Earning Per Shares (EPS) (Rs.)	0.45	0.05

30. **Taxation:**

- Provision for current tax for the current year has been made, taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- In accordance with AS - 22 "Taxes on Income" issued by the Institute of Chartered Accountants of India, net deferred tax assets on account of timing difference for current year of Rs. 22,347.36 is credited to the Statement of Profit & Loss.

Notes forming part of the Financial Statement | continued

31. As at March 31, 2013, the company has reviewed the future earnings of all the cash generating units in accordance with the Accounting Standard 28 "Impairment of Assets. As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the Management.
32. In the Opinion of the Management, the current Assets and Loans and Advances as shown in the books are expected to realize at their Book Values in the normal course of business and adequate provision have been made in respect of all known liabilities.
33. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2013.
34. Open Interest in commodities futures as on 31st March, 2013

a) Open Short Positions:

Name of the Commodity	Expiry Date	No. of Contract	Qty (KG)
Cotton	31/05/2013	52	1300
Cotton	30/04/2013	18	450
KAPASKHALI	30/04/2013	67	670
SILVER	04/05/2013	6840	6840
SILVER	30/04/2013	5	5

b) Open Long Positions:

Name of the Commodity	Expiry Date	No. of Contract	Qty (KG)
KAPASKHALI	31/05/2013	1	10
Cotton	28/06/2013	17	425
Silver	30/04/2013	10	10

As per our attached report of even date
For Sundarlal, Desai & Kanodia
Chartered Accountants
Firm registration number: 110560W

for and on behalf of the Board
Dolat Investments Limited

Mukul Desai
Partner
Membership No. 33978

Harendra D. Shah
(Managing Director)

Shashikant H. Gosalia
(Director)

Place : Mumbai
Date : 24th May, 2013

Umesh V. Moolya
(Company Secretary)

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DOLAT INVESTMENTS LIMITED

203, City Centre, 186, Purswakkam High Road, Keleeyes, Chennai 600010.

ATTENDANCE SLIP

I, hereby record my attendance at the Thirty-second Annual General Meeting of the Company at 203, City Centre, 186, Purswakkam High Road, Keleeyes, Chennai 600010 on Wednesday 18th September, 2013 at 11.00 A.M.

Name of the Shareholder: _____

(In Capital Letters)

Name of Proxy: _____

(In Capital Letters)

Signature: _____

Registered Folio No.: _____ Client ID No.: _____ No. of Shares: _____

Note:

1. Shareholder /Proxy Holder wishing to attend the meeting must bring this attendance slip duly signed, to the meeting and hand it over at the entrance.
2. Shareholder / Proxy holder desiring to attend the meeting should bring his/her copy of Annual Report for reference at the meeting.

DOLAT INVESTMENTS LIMITED

203, City Centre, 186, Purswakkam High Road, Keleeyes, Chennai 600010.

PROXY FORM

I/We _____ of _____ at the District of _____ being a Member /members of the above named company hereby appoint _____ of _____ in the District of _____ failing him /her _____ of _____ in the District of _____ as my / our Proxy to attend and vote on my/our behalf at the 32nd Annual General Meeting of the Company to be held at 203, City Center, 186, Purasawalkam High Road, Keleeyes, Chennai 600010 on Wednesday 18th September, 2013 at 11.00 A. M. and at any adjournment thereof.

Affix
Re.1/-
Revenue
Stamp

Signature _____

Signed this _____ day of _____ 2013

Registered Folio No. _____ Client ID _____ DP ID _____

No. of Shares _____

Note: This proxy form duly completed should be deposited at the Registered Office of the Company not later than 48 (Forty Eight) hours before the time fixed for holding of the meeting.

Book Post

To :



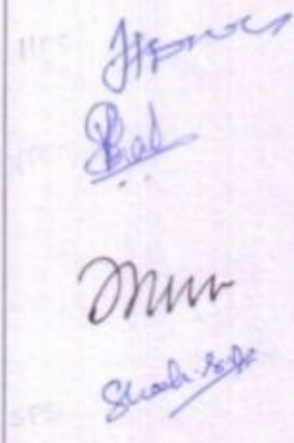
If undelivered, Please return to :

DOLAT INVESTMENTS LIMITED

301-308, 3rd Floor, Bhagwati House, Plot A/19,
Veera Desai Road, Andheri (West), Mumbai - 400 058.
Tel. : 91-22-2673 2602, 6570 4167 / 4171 Fax : 91-22-2673 2642

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	DOLAT INVESTMENTS LIMITED
2	Annual Financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Since its an Un-qualified Audit observation - NOT APPLICABLE,
5	To be signed by- <ul style="list-style-type: none">• Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	 <p>Handwritten signatures in blue ink for the roles listed in row 5. The signatures are: Managing Director (top), CFO (middle), Auditor of the Company (bottom), and Audit Committee Chairman (bottom right).</p>