

21st
ANNUAL
REPORT

2013 – 2014

DAULAT SECURITIES LIMITED

DAULAT SECURITIES LIMITED

Directors

Mr. Sohan Lal Kochar	Chairman
Mr. Jitendra Kochar	Managing Director
Mr. Ajit Kochar	Whole Time Director
Mr. Madhu Sudan Daga	Director
Mr. Jaideep Jiloka	Director
Dr. Pradip Rasiklal Kamdar	Director
Mrs. Vasudha Chhajjer	Director

Auditors

M/s. Bahety & Goenka
Chartered Accountants
Registration Number: 317111E
310 Manglam, 24 Hemant Basu Sarani
Kolkata-700001

Bankers

Corporation Bank
HDFC Bank Ltd.

Registered Office

86 Canning Street, Kolkata – 700001

Administrative Office

21 Lansdowne Place, Kolkata – 700029

Contents

	Page No.
Directors Report	3
Management Discussion and Analysis	5
Auditor's Certificate of Compliance	6
Corporate Governance Report	7
CEO Certification	12
Independent Auditor's Report	13
Balance Sheet P&L and Notes to Accounts	15
Cash Flow Statement	24

**DIRECTORS' REPORT
TO
THE MEMBERS**

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS FOR THE YEAR IS AS UNDER:

	Year ended 31.03.2014	Year ended 31.03.2013
Profit before Tax	15,92,725	23,13,625
Tax Expense:		
(1) Current tax	3,00,000	2.70,000
(2) Deferred tax	-	(78,089)
(3) Earlier Years	(723)	74,020
Profit for the period	12,93,448	20,47,694
Earning per equity share:		
(1) Basic	0.26	0.41
(2) Diluted	0.26	0.41

OPERATION

BUSINESS PERFORMANCE

India economic growth remained muted at 5% for the second consecutive year. This weakness in growth reflects the continued sluggishness in the investment cycle. Post election with a stable government at centre we expect that growth to revive, business confidence to improve and also capital flow pickup. Increasing competition and structural regulatory changes in recent years had already made business conditions quite challenging. In this scenario, your company has performed satisfactorily and is committed to do well in coming years.

ALTERATION IN OBJECT CLAUSE

The Company is already a member of NSDL for providing depository services for the benefit of trading members. However, the renewal of same is now due and SEBI has now insisted for an Object relating to such activity in the Main Object clause of the Memorandum of Association of the Company.

In order to insert such new object relating to depository services of the Company, it is proposed to replace & substitute a new clause III A(5) under Main Object Clause of the Memorandum of Association to carry out the depository activities of the company to facilitate renewal of depository membership with NSDL.

“To carry on the business as Depository Participant in India by acquiring membership of Depositories like Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) or any organization providing the Depository Services, depository clearing services, custodian clearing services and professional clearing services and to operate, run, manage and deal in all the permitted activities for providing Depository Participant Services”

As such, approval of the Shareholders is being sought by way of Special Resolution for alteration of Main Object clause.

DEPOSITORY OPERATION

The depository operation of the company continues to run smoothly.

DIVIDEND

The company has decided to plough back its profits for future development. Hence the Directors do not recommend any dividend for the year under review.

DIRECTORS

Mr.Sohan Lal Kochar and Mr Ajit Kochar retire by rotation and being eligible, offers themselves for reappointment. In Compliance with the provisions of the Companies Act, 2013, the following Re-appointments of Independent Directors are placed before the Members in the forthcoming Annual General Meeting for their approval:

Mr. MadhuSudan Daga, Mr. Jaideep Jiloka, Dr. P.R. Kamdar is being re-appointed as an Independent Director of the Company, to hold office for five years, for a term upto March 31, 2019.

Mr. Prabin Kumar Baid, Independent & Non- Executive Director of the company, vide his letter dated 6th August, 2014 has resigned from the Board of the Company.

CORPORATE GOVERNANCE

As per the Amended Listing Agreement with Stock Exchanges, the Company has complied with the requirement of corporate governance. A report on Corporate Governance is attached to this report as per statutory requirements. A Certificate from the Auditors of the Company M/s. Bahety & Goenka confirming the compliance of conditions of Corporate Governance is annexed to this report.

AUDITORS' REPORT

The report of the auditors is self-explanatory and there are no comments, which need to be reported.

LISTING

The Equity shares of the company are listed on The Bombay Stock Exchange Ltd and The Calcutta Stock Exchange Ltd.

AUDITORS

The Auditors M/s. Bahety & Goenka, Chartered Accountants (Registration No-317111E) are re- appointed as Auditor of the Company for a term of Five years and will retire at the conclusion of 26th Annual General Meeting of your Company as Statutory Auditors and being eligible, offer themselves for reappointment. Your Company has received a certificate to the effect that their re-appointment, if made, will be in accordance with the provisions of the Companies Act, 2013. Your Directors recommend their re-appointment as Statutory Auditors of the Company.

PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration aggregating to Rs. 60, 00,000/- P.A or Rs. 5, 00,000/- P.M.

CONSERVATION OF ENERGY / TECHNOLOGY / ABSORPTION / RESEARCH AND DEVELOPMENT

Particulars as required under the Companies (Disclosures of particulars in the report of Board of Directors) Rules 1975 are not applicable to the company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirms that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed and that there is no material departure;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit of the Company for said period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) The Directors have prepared the annual accounts for the financial year ended 31st March 2014 on a going concern basis.

ACKNOWLEDGEMENT

The Board expresses its deep gratitude and thanks to the Clients, Bankers, Associated staff and SEBI, Stock Exchange Employees & Depository and Shareholders/ Investors for their valuable contribution towards the progress of the Company.

Registered Office
86, Canning Street
Kolkata – 700 001

For and on behalf of the Board

Dated: 12th August, 2014
Place: Kolkata

JITENDRA KOCHAR
Managing Director

Management Discussion and Analysis

Industries Trends & Developments

Be it stock broking, mutual fund distribution or depository services, all the activities that your company is engaged in have huge growth opportunities due to existing low penetration levels, but are facing tremendous competitive pressures and increasing regulatory compliances. With the increasing role of technology, there is a paradigm shift in the running of these businesses. Your company is gearing up well to face all such developments by ramping up its infrastructure and technological, financial and human resources.

Opportunities & Threats

Your company's philosophy of providing professional, value-added, comprehensive and integrated broking, depository services and mutual fund to a cross-segment of society across the Eastern Region is fast becoming a positive differentiating factor vis-a-vis erstwhile competition. These could be treated as great opportunities for the company.

Business Review/ Segment wise Performance

In spite of such competitive pressures, your company has done satisfactorily well to remain above break even levels in spite of huge slowdown in income due to its focus on costs and diversified activities within the board core business of the company it does not have any segments/divisions.

Managements of Risks

The T +2 Settlement System in the Indian Capital Market induces safety and your company also has strict margin norms and other risk management policies. A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks begin in place, except for unforeseen circumstances and marginal exposure to financial risk in the retail capital markets division, your company is quite a risk-free business entity.

Internal Control Systems & their adequacy

The scope of work for internal auditors addresses issues related to internal control systems, particularly those related to regulatory compliance. Pre-audit and post audit checks and reviews ensure that audit observations are acted upon. The Audit Committee of the Board of Directors reviews the Internal Audit Reports and the adequacy of internal controls.

Financial Performance

A snapshot of financial performance is furnished in the Directors' Report. The economic slowdown and complete meltdown in capital markets has brought down the income of the company

Future Outlook

The company is looking at growth opportunities, while consolidation its current business in line with the challenging business environment. Outlook is that of cautious optimism.

Human Resource Management

Employees are vital to Daulat Securities Ltd. and we are committed to our mission of making Daulat Securities Ltd. a preferred place to work and a career growth oriented, professional environment where teamwork and meritocracy prevails.

BAHETY & GOENKA
Chartered Accountants

310 Manglam-A
24, Hemant Basu Sarani
Kolkata-700001

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE.

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE.

To the Members of Daulat Securities Ltd.

We have reviewed the relevant records of the company for the year ended on 31st March, 2014, relating to compliance of conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliances of conditions of Corporate Governance are the responsibility of Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 have to state that to the best of our knowledge the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no Investor Grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee.

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

For Bahety & Goenka
Chartered Accountants
Firm Registration Number: 317111E

Place : Kolkata
Date : 12th August , 2014

RAJENDRA KUMAR BAHETY
Partner
Membership Number: 053255

CORPORATE GOVERNANCE

PHILOSOPHY

Your Company believes that Corporate Governance is a powerful medium to sub serves the long-term interests of all the stakeholders, including the enhancement of overall business valuation for the owners. Corporate Governance strengthens investors' trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with the best in all areas including Corporate Governance and has benchmarked its practices with the prevailing guidelines with transparency, full disclosure and independent monitoring.

BOARD OF DIRECTORS

Composition, Category of Directors and their Other Directorship and Committee Memberships.

Directors	Category	Other Directorships / Board Committee (Numbers)	
		Directorships	Board Committee
Mr. Sohan Lal Kochar	Chairman and Director	1	---
Mr.Madhusudan Daga	Independent and Non Executive Director	1	---
Mr.Jaideep Jiloka	Do	1	---
Mr.Prabin Kumar Baid **	Do	7	---
Dr.P.R.Kamdar	Do	---	---
Mr.Jitendra Kochar	Managing Director	---	---
Mr. Ajit Kochar	Whole time Director	---	---
Mrs.Vasudha Chhajer	Director	---	---

** Ceased to be Independent and Non- Executive Director w.e.f. 6th August 2014.

Five(5) Meeting of the Board of Directors were held during the year ended 31st March, 2014. The dates of the meetings are 30th May 2013 , 31st July 2013 , 13th November 2013 , 10th February 2014 , 25th March 2014

Attendance of the Directors at the Board Meetings, Last AGM and Extra Ordinary General Meeting:

Name of Director	No. of Board Meetings Attended	Attendance at the Last Annual General Meeting held on 11 th September 2013	No. Of Extra Ordinary General Meetings Attended (NIL Extra Ordinary General Meeting held)
Mr. Sohan Lal Kochar	5	Yes	---
Mr. Madhusudan Daga	4	Yes	---
Mr. Ajit Kochar	5	Yes	---
Mr. Jitendra Kochar	5	Yes	---
Mr. Jaideep Jiloka	5	No	---
Mr. Prabin Kr. Baid **	4	Yes	---
Dr.P.R.Kamdar	5	No	---
Mrs. Vasudha Chhajer	5	Yes	---

** Ceased to be Independent and Non- Executive Director w.e.f. 6th August 2014.

Non Executive Director Compensation and disclosure.

Non Executive Directors were not paid any compensation other than sitting fee.

Code of Conduct and Ethics for Directors and Senior Executive.

In line with the Amended Clause 49 of the Listing Agreement, the Company adopted a Code of Conduct and Ethics for its Directors and Senior Executives. The purpose of this code is to promote conduct of business ethically in an efficient and transparent manner.

AUDIT COMMITTEE**Broad Terms of Reference.**

- To review the Company's Financial reporting process and its Financial Statements.
- To review the accounting and financial policies & practices.
- To review the efficiency of the internal control mechanism, and monitor Risk Management Policies adopted by the company and ensure compliance with Regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and ensure that suitable follow up action is taken.
- To examine accountancy taxation and disclosure aspects of all significant transactions.

Composition, Name of Members and Chairman

The Audit Committee consists of three Non-Executive and Independent Directors viz. Mr. Madhusudan Daga (Chairman), Mr. Jaideep Jiloka and Mr. Prabin Kumar Baid**

Meetings and Attendance during the year ended 31st March 2014.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga	4	4
Mr. Jaideep Jiloka	4	4
Mr. Prabin Kumar Baid **	4	4

** Ceased to be Independent and Non- Executive Director w.e.f 6th August 2014.

REMUNERATION COMMITTEE

- To review assess and recommend the appointment of Whole time Director.
- To periodically review the remuneration package of Managing Director and Whole Time Director and recommend suitable revision to the Board.

Composition

The Remuneration committee comprises Three Independent Non-executives Director.

1. Mr. Madhusudan Daga Chairman Independent Non-Executive
2. Mr. Jaideep Jiloka Independent Non-Executive
3. Mr. Prabin Kumar Baid** Independent Non-Executive

Meetings and Attendance during the year ended 31st March 2014.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga	1	1
Mr. Jaideep Jiloka	1	1
Mr. Prabin Kumar. Baid**	1	1

** Ceased to be Independent and Non- Executive Director w.e.f 6th August 2014.

Remuneration to Director: Executive director

Jitendra Kochar Managing Director Remuneration paid – Rs 3, 00,000/- p.a.

STAKE HOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee of the board (earlier known as Shareholders/Investors Grievance Committee) overseas redressal of shareholders and investors grievances and inter alia approves transfer/transmission of shares. Issue of Duplicate share certificate and recommend measures to improve the level of investors’ services.

Chairman:	Mr. Sohan Lal Kochar
Members:	Mr. Madhusudan Daga Mr. Jaideep Jiloka
Compliance Officer:	Mr. S.P.Lunia

The Stakeholders Relationship Committee met 3(Three) times during the year:

Name of Director/ C.O.	No. of Meetings	
	Held	Attended
Mr. Sohan Lal Kochar	3	3
Mr. Jaideep Jiloka	3	3
Mr. Madhusudan Daga	3	3
Mr. Surya Prakash Lunia	3	3

Nil complaints received during the year ended 31st March 2014
There were no pending transfers as on 31st March 2014

CEO/CFO Certificate

In terms of clause 49 of the Listing Agreement, the certification by the Managing Director on the financial statements and internal controls relating to financial reporting has been obtained.

GENERAL BODY MEETINGS

i)Details of Annual General Meetings (AGMs):

AGMs	Date of AGMs	Location	Time
AGM (18 th)	15 th September, 2011	Kolkata	11.00 A.M.
AGM (19 th)	14 th September, 2012	Kolkata	11.00 A.M.
AGM (20 th)	11 th September, 2013	Kolkata	11.00 A.M.

ii) There was no special Resolution put through Postal Ballot last year.

iii)Resume and other information of the Directors retiring by rotation and getting reappointed as required to be disclosed under Clause 49VI (A) of the Listing Agreement is as under: -

- 1) Shri Sohan Lal Kochar aged about 82 years is a renowned Tax consultants and Promoter of the company having rich experience in the field of Tax & Company Law matter. He has been director of the company since incorporation and is also director in B Daulat Ltd.
- 2) Shri Ajit Kochar aged about 48 years is a Chartered Accountant having rich experience in the field of Finance & Stock Market. He has been Director of the company since 1993.

DISCLOSURES

- (1) The Company does not have any related party transactions, which may have potential conflict with interests of the Company at large. The Company has complied with the requirements of regulatory authorities on capital markets.
- (2) The Board of Directors of the Company has laid down a Code of Conduct for all its Board Members and Senior Management of the Company. A declaration of compliance with the Code of Conduct, signed by the Managing Director forms part of the Annual Report.

MEANS OF COMMUNICATION**Financial Results and Annual Reports etc.:**

The Quarterly and Half-Yearly Unaudited Financial Results and the Annual Audited Financial Results as taken on record or approved by the Board of Directors of the Company are published during the year under review in Leading National newspapers, i.e. The Financial Express, The Asian Age and Kalantar and are also displayed on the Company's website www.daulatsec.com. The Company is not in practice of sending Half-Yearly Report to each household of Shareholders. Notice relating to AGM & Extraordinary General Meeting etc. is sent to members at their registered address.

General Shareholder Information

1. Financial reporting for the quarter ending
 - June 30, 2014 July, 2014
 - September 30, 2014 October, 2014
 - December 31, 2014 January, 2015
 - March 31, 2015 May, 2015
2. Registered Office: 86, Canning Street, Kolkata - 700001
3. Listing of Equity Shares on Stock Exchanges

The Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai -400023

The Calcutta Stock Exchange Ltd
7, Lyons Range,
Kolkata - 700 001.

4. STOCK MARKET DATA

The Equity Shares of the Company were Listed on the Stock Exchange, Mumbai and The Calcutta Stock Exchange Ltd. Listing Fee for the Year 2014-15 has been paid for both the exchange.

Market Price Data:**Monthly Stock Market Data of High and Low price of Equity shares of the Company during Financial year 2013-14**

Market Price Data (Monthly High and Low in 2013-14)						
Month	Bombay Stock Exchange			Calcutta Stock Exchange		
	High	Low	No of shares traded	High	Low	No of shares traded
Apr-13	6.14	5.52	410	NIL	NIL	NIL
May-13	6.37	5.52	14500	NIL	NIL	NIL
Jun-13	6.50	6.50	1000	NIL	NIL	NIL
July-13	6.50	6.20	7	NIL	NIL	NIL
Aug-13	7.16	6.82	30	NIL	NIL	NIL
Sep-13	7.16	7.16	100	NIL	NIL	NIL
Oct-13	7.20	7.16	7	NIL	NIL	NIL
Nov-13	6.85	6.85	52	NIL	NIL	NIL
Dec-13	7.00	6.75	169	NIL	NIL	NIL
Jan-14	7.00	7.00	1208	NIL	NIL	NIL
Feb-14	8.22	7.35	2503	NIL	NIL	NIL
Mar-14	8.66	7.86	4481	NIL	NIL	NIL

Registrar and Share Transfer Agents:

M/s. Maheshwari Datamatics Pvt.Ltd.
6, Mangoe Lane, 2nd floor, Kolkata - 700001.

Share Transfer System

Trading in equity shares of the Company is permitted only in dematerialized form. Share transfer in physical and demat form are Registered by Registrar & Share Transfer Agent and returned to the respective transferees within a period ranging from fifteen days to one month provided the documents lodged with the Registrar/ Company is clear in all respect.

Distribution of Shareholding as On 31st March, 2014

Shares held	No of Equity Shareholders	% of Shareholders	Total No Shares Held	% of Shareholding
1-500	1791	80.35	355616	7.11
501-1000	182	8.17	143477	2.87
1001-2000	89	4.00	13359	2.67
2001-3000	62	2.78	157001	3.14
3001-4000	11	0.49	39069	0.78
4001-5000	21	0.94	102200	2.04
5001-10000	19	0.85	151515	3.03
10000 and above	54	2.42	3917763	78.36
Total	2229	100	5000000	100

Categories of Shareholding (as on 31st March, 2014)

Sr. No.	Category of Holders	No. of Shares	% of Equity
1.	Promoters' Holding	2603800	52.08
	Sub-Total	2603800	52.08
2.	Mutual Funds / UTI	--	--
3.	Banks / Financial Institutions / Insurance Companies (Central / State Govt. Institutions / Non Govt. Institutions)	--	--
4.	Flls / GDR	--	--
	Sub-Total	--	--
5.	Others	--	--
	Private Corporate Bodies	739236	14.20
	Indian Public	1656964	33.72
	NRIs / OCBs / Foreign Company	--	--
	Sub Total	2396200	47.92
		5000000	100

Dematerialization of Shares and liquidity:

Over 84.00162 % of Equity Shares have been dematerialized up to 31st March 2014.

Investor Correspondence

Mr. S.P.Lunia , C/o Daulat Securities Ltd, 86, Canning Street , Kolkata- 700001 , Phone. 2474 - 0462

GENERAL SHAREHOLDER INFORMATION

Date and Time:

27th September, 2014 at 11.00 A.M.

Venue:

MANGLAM, 29, Lansdowne Place Kolkata 700029

Book Closure Dates:

22th September, 2014 to 27th September, 2014(Both Days Inclusive)

CODE OF CONDUCT CERTIFICATE

I, Jitendra Kochar, Managing Director of Company, hereby declare that the Board of Directors laid down a code of conduct for its Board Members and Senior Management of the company and the Board Members and Senior Management have affirmed compliance with the said Code of Conduct.

Place: Kolkata

Date: 12th August 2014

For Daulat Securities Ltd

Jitendra Kochar
Managing Director

CEO Certification under Clause 49 (v) of the Listing Agreement

The Board of Director
Daulat Securities Ltd.

I Jitendra Kochar , Managing Director of Daulat Securities Ltd. do hereby certify to the Board in terms of the requirement of Clause 49 (v)of the Listing Agreement, that I have reviewed the financial statement and cash flow statement of the company for the year ended 31st March, 2014 :

1. To the best of my knowledge and belief I certify that :
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (b) 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 regulation.
 - (c) There are, to the best of my knowledge & belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
2. For the purpose of this reporting I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design, or operation of such internal controls.
3. I do further certify that there has been :
 - (a) No significant changes in internal control over financial reporting during the quarter
 - (b) No changes in accounting policies
 - (c) No instances of significant fraud of which I am aware.

Place: Kolkata

Jitendra Kochar

Date: 12th August 2014

Managing Director

BAHETY & GOENKA
Chartered Accountants

310, Mangalam "A", 3rd floor
24, Hemant Basu Sarani
Kolkata – 700 001
Phone: 22432371
Email: bahetygoenka@gmail.com

Independent Auditor's Report

To the members of Daulat Securities Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of DAULAT SECURITIES LIMITED, ("the Company") which comprise the Balance Sheet as at 31st March, 2014, 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. The 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 judgement, 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. 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 our 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 aforesaid 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 31st March, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit of the year ended on that date.
- c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

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 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 has been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Act read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013 and
 - e) On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For BAHETY & GOENKA
Chartered Accountants
FRN:317111E

Place: Kolkata
Date: 27/06/2014

Rajendra Kumar Bahety
Partner
Membership No.: 053255

BAHETY & GOENKA
Chartered Accountants

310, Mangalam "A", 3rd floor
24, Hemant Basu Sarani
Kolkata – 700 001
Phone: 22432371
Email: bahetygoenka@gmail.com

Annexure to the Auditor's Report

The Annexure referred to in our report to the members of the **Daulat Securities Limited** for the year ended 31st March 2014. We report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The company has a regular programme of physical verification of its fixed assets; and no material discrepancies were noticed on such verification.
(c) Some Fixed Assets have been disposed off during the year as those assets were of not much use. It has not affected the Going Concern Principle.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management;
(b) The procedures of physical verification of inventory 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 and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted unsecured loans to Companies, firms or other parties, which are covered in the register maintained under Section 301 of the Companies Act 1956.
(b) The rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company;
(c) The principal amounts are repayable over a period of time at the discretion of the Company; while the interest is payable quarterly at the discretion of the Company.
(d) In respect of said loans there is no overdue amount of more than one lakh.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been so entered in the register required to be maintained under that section;
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lakhs in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause(vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act 1956.
- (ix) (a) According to the information and explanations given to us and on basis of our examination of records of the company, the company is regular in depositing undisputed statutory dues including Income-tax, Service -tax, and any other statutory dues with the appropriate authorities. There were no arrears as at 31st March 2014, for a period of more than six months from the date of becoming payable.
(b) There are no disputed statutory dues payable which have not been deposited.
- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in such financial year and in the financial year immediately preceding such financial year also;
- (xi) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the company is not a Chit Fund/ Nidhi/ Mutual Benefit Fund/Society.
- (xiv) The Company has maintained proper records of transactions in respect of trading in shares, debentures and other securities and timely entries has been made therein. The investments are 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 loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any term loan during the year.
- (xvii) On the basis of information received from the management and based on our examination of the balance sheet of the company as at 31st March 2014, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of Companies Act 1956.
- (xix) The company has not issued debentures during the year.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

Place: Kolkata
Date: 27/06/2014

For Bahety & Goenka
Chartered Accountants
Firm Registration Number: 317111E

RAJENDRA KUMAR BAHETY
Partner
Membership Number: 053255

Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31/03/2014	As at 31/03/2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	50,000,000	50,000,000
(b) Reserves and Surplus	2	61,383,292	60,089,844
(2) Share application money pending allotment			
		NIL	NIL
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	54,894	54,894
(b) Other Long term liabilities	4	139,025	65,000
(c) Long term Provisions	5	136,687	72,000
(4) Current Liabilities			
(a) Short-term borrowings	6	2,499,026	1,863,336
(b) Trade payables		2,487,175	3,768,162
(c) Other current liabilities	7	596,332	2,220,474
(d) Short-term provisions	8	300,000	270,000
Total		117,596,431	118,403,710
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	6,128,521	6,224,223
(b) Non-current investments	10	31,157,611	23,715,330
(c) Long term loans and advances	11	12,846,668	12,310,574
(2) Current assets			
(a) Inventories	12	39,671,978	42,869,666
(b) Trade receivables	13	1,591,607	1,014,245
(c) Cash and cash equivalents	14	4,553,869	5,705,088
(d) Short-term loans and advances	15	20,438,837	25,607,043
(e) Other current assets	16	1,207,340	957,541
Total		117,596,431	118,403,710

Significant Accounting Policies & Notes to Accounts 1 to 22

In terms of our report attached.
For **BAHETY & GOENKA**
Chartered Accountants

S.L. Kochar
DIN No.- 00606625

Chairman

FRN NO. 317111E

Jitendra Kochar
DIN No.- 00556392

Managing Director

Ajit Kochar
DIN No.- 00933365

Director

Rajendra Kumar Bahety
Partner
Membership No. 053255

Place: Kolkata
Dated: 27th June, 2014

Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	As at 31/03/2014	As at 31/03/2013
<u>III. Income</u>			
I. Revenue from operations	17	514,427	312,099
II. Other Income	18	4,758,054	6,277,196
III. Total Revenue (I +II)		5,272,481	6,589,295
<u>IV. Expenses:</u>			
Employee benefit expense	19	1,793,702	2,213,970
Administrative Expenses	20	1,307,971	1,367,648
Depreciation and Amortization Expense	9	311,837	350,812
Other Expenses	21	266,246	343,240
IV. Total Expenses		3,679,756	4,275,670
V. Profit before tax (III - IV)		1,592,725	2,313,625
VI. Tax Expense:			
(1) Current tax		300,000	270,000
(2) Deferred tax			(78,089)
(3) Earlier Years		(723)	74,020
VII. Profit for the period	(V-VI)	1,293,448	2,047,694
VIII. Earning per equity share:			
(1) Basic		0.26	0.41
(2) Diluted		0.26	0.41

Significant Accounting Policies & Notes to Accounts 1 to 22

In terms of our report attached

For **BAHETY & GOENKA**
Chartered Accountants

FRN NO. 317111E

Rajendra Kumar Bahety
Partner
M.No. 053255Place: Kolkata
Dated: 27th June, 2014**S.L. Kochar**
DIN No.- 00606625**Jitendra Kochar**
DIN No.- 00556392**Ajit Kochar**
DIN No.- 00933365**Chairman****Mang. Director****Director**

Notes

1

				As at 31/03/2014	As at 31/03/2013
	Share Capital				
a	Authorised Share Capital:				
	6000000	number of Equity shares of Rs.	10 each	60,000,000	60,000,000
b	Issued, Subscribed and Fully Paid up Share Capital:				
	5000000	number of Equity shares of Rs.	10 each	50,000,000	50,000,000
c	Par Value per Share			10	10
d	Number of equity shares at the beginning of the year			5,000,000	5,000,000
	Add:	Rights issue		-	-
		Bonus issue		-	-
	Less:	Buy back		-	-
	Number of equity shares at the end of the year			5,000,000	5,000,000

e **Number of shares held by share holders more then 5% of total shares**

Name of the share holder	As at 31/03/2014	Percentage (%)	As at 31/03/2013	Percentage (%)
Ajit Kochar	399,900	8	399,900	8
Anil Kochar	529,200	11	529,200	11
B. Daulat Ltd	297,000	6	297,000	6
Jitendra Kochar	404,000	8	404,000	8
Sohan Lal Kochar	342,100	7	342,100	7

		As at 31/03/2014	As at 31/03/2013
2	<u>Reserves and Surplus</u>		
a	General reserve		
	Opening balance	4,010,000	4,010,000
	Add: transfer from profit & loss account	-	-
	Closing balance	4,010,000	4,010,000
b	Surplus from Profit & Loss account		
	Opening balance	56,079,844	54,032,150
	Add: Current year surplus	1,293,448	2,047,694
	Closing balance	57,373,292	56,079,844
	TOTAL(a + b)	61,383,292	60,089,844
3	<u>Deferred Tax Liabilities (Net)</u>		
a	Opening Balance B/f	54,894	132,983
	Add/(Less):- Changes in P/L	-	(78,089)
		54,894	54,894
4	<u>Other Long Term Liabilities</u>		
a	Rent deposit	65,000	65,000
b	Advance AMC Received	74,025	-
		139,025	65,000

5	<u>Long Term Provisions</u>	As at 31/03/2014	As at 31/03/2013
a	Provision for Employee Benefit	72,000	72,000
	Add: Current year	64,687	-
		136,687	72,000
6	<u>Short term borrowings</u>	As at 31/03/2014	As at 31/03/2013
a	Bank Overdraft (Overdrawn due to Reconciliation)	2,499,026	1,863,336
		2,499,026	1,863,336
7	<u>Other Current Liabilities</u>	As at 31/03/2014	As at 31/03/2013
a.	Sundry Creditors for expenses	301,556	190,548
b.	TDS Payable	-	35,150
c.	Margin received from clients	294,776	1,994,776
		596,332	2,220,474
8	<u>Short term provisions</u>	As at 31/03/2014	As at 31/03/2013
	Provision for Income Tax	300,000	270,000
		300,000	270,000

Note 9. FIXED ASSETS- TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Balance as on 1-4-13	Additions during the year	Deduction during the year	Balance as on 31-3-14	Balance as on 01-4-13	For the year	Deduction during the year	Balance as on 31-3-14	Balance as on 31-3-14	Balance as on 31-3-13
Leasehold Properties	358540			358540	215320	7160		222480	136060	143220
Office Prem.& Building	6275235	200000		6475235	1804055	223560		2027615	4447620	4471180
Fax Machines	69000		1556	67444	62869	852		63721	3723	6131
Office Equipments	114389			114389	67068	6588		73656	40733	47321
Air Conditioners	447592	22500		470092	340559	17341		357900	112192	107033
Cellular & Pagers	87490		1174	86316	81642	812		82454	3862	5848
Generator	45260			45260	41709	496		42205	3055	3551
Furniture & Fittings	372674		2038	370636	343906	5208		349114	21522	28768
Motor Cars Computer & Peripherals	1210070 2736212			1210070 2734615	1114836 2679170	24656 22828		1139492 2701998	70578 32617	95234 57042
Electricity Fittings	148400			148400	135495	2336		137831	10569	12905
Land	1245990			1245990	0	0		0	1245990	1245990
TOTAL	13110852	222500	6365	13326987	6886629	311837		7198466	6128521	6224223
PREVIOUS YEAR	13110852	0	0	13110852	6535817	350812		6886629	6224223	6575035

Working Notes:

- 1.An Office Premise purchased for Rs 200000/- as on 01/04/2013.
- 2.An Air Conditioner Purchased for 22500/- as on 19/06/2013.

10	<u>Non-current Investments</u>	As at 31/03/2014	As at 31/03/2013
(i)	Trade Investments	28,547,613	17,147,294
(ii)	Other Investments - Investment in Mutual funds	2,609,998	6,568,036
		31,157,611	23,715,330
11	<u>Long term loans and advances</u>	As at 31/03/2014	As at 31/03/2013
	(Unsecured & considered good)		
a.	Advances	77,420	1,914,713
b.	Income Tax deducted at source (Earlier Years)	602,248	468,861
c.	Membership & deposits with Stock Exchanges	8,102,000	8,102,000
d.	Other Deposits	4,065,000	1,825,000
		12,846,668	12,310,574
12	<u>Inventories</u>	As at 31/03/2014	As at 31/03/2013
a	Stock in trade (in respect of goods acquired for trading)	39,671,978	42,869,666
		39,671,978	42,869,666
13	<u>Trade receivables</u>	As at 31/03/2014	As at 31/03/2013
	(Unsecured, considered good)		
a	Trade receivables outstanding for - more than 6 months - others	210,404 1,381,203	396,527 617,718
		1,591,607	1,014,245
14	<u>Cash and Bank Balances</u>	As at 31/03/2014	As at 31/03/2013
a	Cash and cash equivalents		
i	Balance with banks in current account	955,796	611,481
ii	Cash in hand	463,854	459,388
b	Other Bank Balances: In Fixed Deposit	3,134,219	4,634,219
		4,553,869	5,705,088
15	<u>Short-term loans and advances (Unsecured and Considered Good)</u>	As at 31/03/2014	As at 31/03/2013
a.	Unsecured Loans	20,114,749	25,181,982
b.	Tax Deducted at source (Current Year)	324,088	425,061
		20,438,837	25,607,043
16	<u>Other current assets</u>	As at 31/03/2014	As at 31/03/2013
	Brokerage Receivable	7,499	4,878
	Dividend Receivable	26,188	37,163
	Prepaid Expenses	130,917	
	IL&FS Receivable	753,622	-
	Interest accrued	289,114	915,500
		1,207,340	957,541

17	Revenue from operations	As at 31/03/2014	As at 31/03/2013
a.	Income From Operations	514,427	312,099
		514,427	312,099
18	Other Income	As at 31/03/2014	As at 31/03/2013
a	Interest Income	3,903,137	4,278,750
b	Dividend Income	678,851	654,469
c	Net gain / (loss) on sale of investment	79,985	1,254,277
d	Profit on sale of Fixed Assets	1,900	-
e	Rent Received	94,181	89,700
		4,758,054	6,277,196
19	Employee Benefit Expense	As at 31/03/2014	As at 31/03/2013
a	Salaries & Wages	1,645,500	2,018,500
b	Welfare expenses	83,515	123,470
c	Provision for Employee Benefit	64,687	72,000
		1,793,702	2,213,970
20	Administrative Expenses	As at 31/03/2014	As at 31/03/2013
	Advertisement	29,806	32,862
	Audit fees		
	a) Statutory & Tax Audit	22,472	12,360
	b) Certification fees	5,618	5,515
	Bank charges	12,786	9,010
	Computer Consumables & Upkeep	74,282	101,265
	Electricity Charges	70,830	74,100
	Filing Fees	3,500	2,500
	Insurance	40,894	42,403
	Internal Audit Fess	19,000	17,000
	Listing Fees	28,653	28,652
	Membership & Subscription	115,554	114,836
	Motor Car Fuel & Maintenance	163,550	162,400
	Postage and Courier	60,035	82,264
	Printing and Stationery	76,925	116,176
	Professional Fees	22,500	7,500
	Rent and Taxes	310,300	310,300
	Registrar and Share Transfer Agent Fees	33,706	29,286
	Software Charges	12,360	12,360
	Telephone and fax	89,713	81,950
	Travelling & Conveyance	115,487	124,909
		1,307,971	1,367,648
21	Other Expenses	As at 31/03/2014	As at 31/03/2013
	General Expenses	175,544	214,418
	Books and Periodicals	23,185	21,795
	Xerox Charges	11,327	11,517
	Entertainment Expenses	53,140	92,370
	Stamp Paper	3,050	3,140
		266,246	343,240

TRADE INVESTMENTS (Details)

INVESTMENTS (At cost)	Face		As on 31.03.2014		As on 31.03.2013	
	Value	Holdings	Book Value	Holdings	Book Value	
	Rs.	Nos.	Rs.	Nos.	Rs.	
TRADED						
A. QUOTED EQUITY SHARES FULLY PAID-UP						
3I Infotech	10	15900	256785	15900	256785	
Aditya Birla Novo Ltd	10	956	1304940	956	1304940	
Alok Industries Ltd	10	12000	224550	12000	224550	
Arvind Mills Ltd	10	300	28554	1300	123714	
Assam Carbon Product	10	200	7500	200	7500	
Benchmark Gold Bees	100	194	596058	1344	4129260	
Charminar Beverages	10	1000	4000	1000	4000	
Corporation Bank	10	800	371593	800	371593	
Dalmia Bharat Sugar & In	10	1890	18900	1890	18900	
Dalmia Cement Bharat Lt	2	0	0	1890	233162	
Dena bank	10	1000	62000	1000	62000	
Dish Tv Ltd	10	4000	371600	4000	371600	
Elder Pharma Ltd	10	1500	494905	0	0	
Electrosteel Castings Ltd	1	1800	27000	1800	27000	
Emami Infra	10	11000	440065	11000	440065	
Entegra Ltd	10	50	210	50	210	
Everon Education Ltd	10	10000	578000	0	0	
Ginni Filament	10	15000	189200	15000	189200	
GTI Infra	10	15700	154830	15700	154830	
GTL Ltd	10	4000	213460	4000	213460	
GTN Industries Ltd	10	515	3400	515	3400	
HDIL	10	1600	204860	1600	204860	
Herdilla Unimers Ltd.	10	200	4500	200	4500	
Himachal Futuristic	10	22500	308125	22500	308125	
HUDCO Tax Free Bond	1000	3000	3450000	0	0	
IFCI Ltd	10	30500	1364900	30500	1364900	
Indo Solar	10	7000	134475	7000	134475	
Ingersol Rand India Ltd	10	200	52300	200	52300	
Ispat Industries Ltd	10	0	0	6500	71175	
JCT Ltd	10	26000	156000	26000	156000	
JSW Energy	10	4000	310743	4000	310743	
Jsw Steels Limited	10	88	71175	0	0	
Kakatiya Cements Ltd	10	2200	116600	2200	116600	
King fisher Airlines Ltd	10	12561	100488	0	0	
KCP Sugars Ltd	10	2700	35370	2700	35370	
Kerala Ayurvedic Ltd.	10	700	1925	700	1925	
Lifeline Medicare Ltd.	10	300	1200	300	1200	
Mid Day Multimedia Ltd	10	300	3585	300	3585	
Midland Plastics Ltd.	10	3400	20570	3400	20570	
MMTC	10	5500	473000	0	0	
Moil	10	217	90229	300	124740	
Nahar Inv & Hold Ltd	5	2300	23000	2300	23000	
Narmada Cement Ltd.	10	100	950	100	950	
NHAI Tax Free Bond	1000	1795	2064250	0	0	
NIIT	10	6600	359700	6600	359700	
Oswal Chemicals Ltd	10	1000	16650	1000	16650	

Patspin India Ltd	10	9076	56444	9076	56444
PPIL Ltd.	10	200	700	200	700
Rama News Print	10	14000	217625	14000	217625
REC Ltd	10	280	62648	280	62648
Reliance Power Ltd	10	950	106109	3513	392268
Restile Ceramic Ltd.	10	1660	8300	1660	8300
RICO auto	10	2256	37338	25500	422226
S Kumars Nationwide Ltd	10	100	2750	100	2750
SBI Bond 04NV25	10000	171	1836520	0	0
SBI Bond 9.95%	10000	370	4262400	0	0
SCI Ltd	10	2000	201161	2000	201161
Shree Precoated Steel	10	39953	153819	39953	153819
Siemens	10	424	322028	424	322028
Soma Textiles Limited	10	115301	893583	0	0
Sonata Software	10	600	27300	800	36400
Spentax Industries	10	5000	100490	5000	100490
SRF Ltd	10	100	14250	100	14250
State Bank Of India	10	100	284800	100	284800
Tata Chemicals Ltd	10	5028	1918685	0	0
Tata Motors Ltd	10	30	5374	30	5374
Tayo rolls ltd	10	1000	140000	1000	140000
The CSEA Ltd	100	250	2500000	250	2500000
The Indian Hotels Co Ltd	1	0	0	369	14760
TRF	10	794	228672	794	228672
Uni Legwears Ltd.	10	500	20000	500	20000
Usha Martin Education & Soloution	5	6149	170076	6149	170076
UTI Gold ETF	100	0	0	54	80568
Zuari Agro Chemicals Ltd	10	535	132199	535	132199
Zuari Global Ltd	10	535	132199	535	132199
Sub Total	(A)		28547613		17147294

Other Investments

Investment In Mutual Fund(un quoted)	(B)	2609998	6568036
		<u>2609998</u>	<u>6568036</u>
TOTAL	A+B	<u>31157611</u>	<u>23715330</u>
Aggregate Market Value of Quoted Investments (in Rupees)		19651933	12507088

NOTE: 22

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.

SIGNIFICANT ACCOUNTING POLICIES**I.**a) **System of Accounting:**

All income and expenses are accounted for on accrual basis.

b) **Fixed Assets:**

Fixed Assets are stated at cost of acquisition inclusive of expenses incidental to their acquisition as reduced by accumulated depreciation thereon.

c) **Depreciation:**

Depreciation on Fixed Assets has been provided on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

d) **Investments:**

Investments are non-current and valued at cost. Expenses relating to transfer are charged to revenue. Provision for diminution in value is not considered unless such diminution is permanent in nature. Gains / Losses on disposal of the investments are recognized as Income / Expenditure.

e) Inventories are valued at cost or market value whichever is lower.

f) **Accounting for Taxes on Income:**

Deferred tax is recognised on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. Such assets are reviewed as at each Balance Sheet date to reassess reliability thereof.

g) **Employee Benefit**

Provision on gratuity is made on accrual basis in terms of provisions of payment of Gratuity Act as on the last date of the financial year. However Actuarial Valuation is not done as per AS-15.

INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

II. Leasehold premises at Chennai are yet to be registered in the name of the Company.

III. Membership Deposit includes Rs. 2000/- towards equity shares of Ludhiana Stock Exchange Association Limited for attaining corporate membership of the Exchange.

IV. Fixed Deposit of Rs 31,00,000/- (Previous Year Rs 41,00,000/-) are deposited with National Stock Exchange Of India Ltd , Ludhiana Stock Exchange Ltd and OTC Exchange Of India respectively towards margin to be utilized as and when required.

V. Quantitative details in respect of shares, debentures and other securities dealt in during the year ended 31st March 2014.

<u>Particulars</u>	<u>Quantity (Nos.)</u>	<u>Amount (Rs.)</u>
Opening Stock	990467	42869665
	(1615425)	(35435743)
Purchase	5255252	548640314
	(6274768)	(509960282)
Sales	5380254	558034015
	(6899726)	(513001067)
Closing Stock	865465	39671978
	(990467)	(42869665)
	(Figures in Brackets indicate those of the Previous year)	

VI. Previous year's figures have been rearranged / regrouped where ever found necessary.

VII. Related Party Transaction

<u>Name</u>	<u>Purchase of securities(Rs)</u>	<u>Sale of securities(Rs)</u>
KEY MANAGEMENT PERSONNEL		
AJIT KOCHAR	0.00	608344.00
JITENDRA KOCHAR	0.00	903946.00
OTHERS		
B DAULAT LTD	5013088.00	505416.00
NARENDRA KOCHAR	526723.00	450623.00
SOHAN LAL KOCHAR	1953191.00	267556.00
YASHOVAR DAN KOCHAR	53722.00	606139.00
VASUDHA KOCHAR	2406357.00	1018950.00
ADITI BHUTORIA	1783350.00	1047185.00
AJIT KOCHAR HUF	0.00	953628.00
JITENDRA KOCHAR HUF	0.00	923676.00
KANCHAN DEVI KOCHAR	0.00	595540.55
SUNITA KOCHAR	0.00	780359.00
NALINI KOCHAR	4749558.00	0.00
KUSUM KOCHAR	229026.00	238073.00
ANAMIKA KOCHAR	0.00	1797817.00
ANIL KOCHAR HUF	0.00	9860457.00
ARYAN KOCHAR	782744.00	1708441.00
K.V TRADERS PVT LTD	5453560.00	207332.00

VIII. The Company has not received any information from any of the suppliers of there being Small Scale Industries Unit. Moreover, the amount payable to Small Scale Industrial units outstanding as on 31st March 2014 is Nil.

Signature to Notes 1-22

Per our report attached.

For BAHETY & GOENKA
Chartered Accountants, FRN317111E
RAJENDRA KUMAR BAHETY

Partner

Membership No-053255

Place: Kolkata

Dated: 27th June, 2014

S.L.Kochar

Din No. 00606625

Jitendra Kochar

Din No. 00556392

Ajit Kochar

Din No. 00933365

Chairman

Managing Director

Wholetime Director

DAULAT SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014
Pursuant to Clause 32 of Listing Agreement with Stock Exchange

		For the Year Ended 31.3.2014	For the Year Ended 31.03.2013
A.	Cash Flow from OPERATING ACTIVITIES		
	Net Profit before Tax & Extra		
	Ordinary Items	1592725	2313625
	Adjustment for :		
	Depreciation	311837	350812
	Write - Off		350812
	Adjustment for :	1904562	2664437
	Dividend Received	678851	654469
	Interest Recd	3903137	4278750
	Profit on sale of Investment	79984	1254277
	Profit on sale of fixed assets	1900	0
		4663872	6187496
	Operating Profit/Loss before Working Capital changes	-2759310	-3523059
	Adjustment for :		
	Current Assets	7,002,639	4,073,576
	Current Liabilities	(2,269,440)	(11,406,155)
	(Increase) / Decrease in Net Current Assets	4,733,199	(7,332,579)
	Less :Taxation	-172526	-1349208
	Cash Generated from Operations		
	Net Cash from Operating Activities	1,801,363	(12,204,846)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of FIXED ASSETS	-222500	0
	Purchase of Investments	-38208050	-51619792
	Sale of Investments	30887715	49004694
	Interest Received	3,903,137	4090836
	Dividend Received	678,851	643887
	Sale of Fixed Asset	8,265	
	Net Cash flow from Investing Activities	-2952582	2119625
	Net Increase / (Decrease) in Cash and Cash Equivalent	(1,151,219)	(10,085,221)
	Cash and Cash Equivalents at the beginning of the year	5,705,088	15,790,309
	Cash and Cash Equivalents at the close of the year	4,553,869	5,705,088

	S.L.KOCHAR	Chairman
	Din No. 00606625	
	JITENDRA KOCHAR	Managing Director
	Din No. 00556392	
Place : Kolkata	AJIT KOCHAR	Director
Dated : 27/06/2014	Din No. 00933365	

We have verified the above Cash Flow Statement of DAULAT SECURITIES LIMITED derived from the audited financial statements for the year ended 31st March, 2014 and found the same is drawn in accordance thereafter and also with the requirements of Clause 32 of the listing agreement with the Stock Exchange.

Place : Kolkata
Dated : 27/06/2014

Per our report attached
For BAHETY & GOENKA
Chartered Accountants

Rajendra Kumar Bahety
Partner
Membership No. 053255

BOOK POST

If Undelivered Please Return To:

**DAULAT SECURITIES LTD.
86 CANNING STREET
KOLKATA - 700001**



DAULAT SECURITIES LIMITED

CIN NO.

L67120WB1992PLC056831

Member : National Stock Exchange of India Ltd. (NSE)
The Calcutta Stock Exchange Association Ltd. (CSE)

Depository Participant : National Securities Depositories Ltd. (NSDL)

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT FILLED WITH THE STOCK EXCHANGE

1. Name of the Company: DAULAT SECURITIES LIMITED
2. Annual financial statements for the year ended: 31-03-2014
3. Type of Audit observation : Un-qualified
4. Frequency of observation : Nil
- a. CEO/Managing Director: JITENDRA KOCHAR
- b. Auditor of the company RAJENDRA BAHETY
- c. Audit Committee Chairman : MADHU SUDAN DAGA

For Daulat Securities Ltd.
Jitendra Kochar
Director



CIN NO.
L67120WB1992PLC056831

DAULAT SECURITIES LIMITED

Member : National Stock Exchange of India Ltd. (NSE)
The Calcutta Stock Exchange Association Ltd. (CSE)

Depository Participant : National Securities Depositories Ltd. (NSDL)

FORM B

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT FILLED WITH THE STOCK EXCHANGE

1. Name of the Company: DAULAT SECURITIES LIMITED
 2. Annual financial statements for the year ended: 31-03-2014
 3. Type of Audit qualification : Un-qualified
 4. Frequency of Observation: Nil
 5. Draw attention to relevant notes in the annual financial Statements and management response to the qualification in Nil
The Director Report
 6. Additional comments from the Board/ Audit Committee Chair: Nil
-
- a. CEO/Managing Director: JITENDRA KOCHAR
 - b. Auditor of the company RAJENDRA BAHETY
 - c. Audit Committee Chairman : MADHU SUDAN DAGA

For Daulat Securities Ltd.

Jitendra Kochar
Director