

**23<sup>rd</sup>**  
**ANNUAL**  
**REPORT**

2015 – 2016

**DAULAT SECURITIES LIMITED**

**DAULAT SECURITIES LIMITED**

CIN: L67120WB1992PLC056831

**Directors**

Mr. Sohan Lal Kochar	Chairman(resigned on 29-9-2015)
Mr. Jitendra Kochar	Managing Director
Mr. Ajit Kochar	Whole Time Director
Mr. Madhu Sudan Daga	Independent Non – Executive Director
Mr. Jaideep Jiloka	Independent Non – Executive Director
Dr. Pradip Rasiklal Kamdar	Independent Non – Executive Director
Mrs. Vasudha Chhajer	Director

**Auditors**

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

**Registrar & Transfer Agent**

M/s Maheshwari Datamatics Private Ltd.  
6 Mangoe Lane  
Kolkata-700001

**Bankers**

Corporation Bank  
HDFC Bank Ltd.

**Registered Office**

86 Canning Street , Kolkata – 700001

**Administrative Office**

21 Lansdowne Place, Kolkata – 700029

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**DIRECTOR'S REPORT**

To The Members

The Board of Directors have pleasure to submit the Report and Audited Balance Sheet, Statement of Profit and Loss of the Company and Cash Flow Statement for the year ended 31<sup>st</sup> March 2016.

**FINANCIAL RESULTS FOR THE YEAR IS AS UNDER:**

	31.03.2016	31.03.2015
Profit before tax	30,09,825	37,10,254
Tax Expense:		
(1) Current Tax	4,15,000	4,75,000
(2) Deferred Tax	11,942	-
(3) Earlier Years	13,631	24,088
Profit for the Period	26,20,398	32,11,166
Earning per Equity Share:		
(1) Basic	0.52	0.64
(2) Diluted	0.52	0.64

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report

**DIVIDEND :** The Board of Directors have decided to retain profits for future development. Hence the Directors do not recommend any dividend for the year under review.

**RESERVES :** The closing balance of Reserves and Surplus stood at Rs. 67,150,987/-. There is no transfer to General Reserve from Profit and Loss Account during the year.

**CHANGE IN NATURE OF BUSINESS:** There is no change in the nature of the business of the Company during the year as compared to previous year.

**CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report of Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s Bahety & Goenka, Chartered Accountant confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is included as a part of this report

**LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to BSE and CSE where the Company's Shares are listed.

**DEMATERIALIZATION OF SHARES:**

85.18% of the company's paid up equity share Capital is in dematerialized form as on 31<sup>st</sup> March, 2016 and balance 14.82% is in physical form.

**Number of Board Meetings**

The details of the number of Board Meetings and Audit Committee Meetings of your company are set out in the Corporate Governance Report which forms part of this Report.

**DIRECTORS:****a) Changes in Directors and Key Management Personnel -**

Mr. Sohan Lal Kochar resigned from directorship on 29-9-2015. The Board expresses its gratitude for his valuable contribution during his tenure as Chairman and Director of the Company. Apart from this there were no changes in the directors or Key Managerial Personnel during the year. Mr Ajit Kochar (DIN No.- 00933365) and Mrs.Vasudha Chhajer( DIN No. - 05102531) retire by rotation and being eligible, offers themselves for reappointment.

**b) Declaration by Independent Directors and re-appointment, if any**

All Independent Directors of Daulat Securities Limited do hereby declare that they have met the criteria as provided in sub-section 6 of Section 149 of the Companies Act 2013. they hold the office for a term of five years and are eligible for re-appointment for next five years on passing of special resolution by the company.

**c) Formal Annual Evaluation**

Pursuant to the provisions of Companies Act 2013 and clause 49 of listing agreement, the board has carried out an annual performance of the directors individually as well as evaluation of its Audit, Nomination and Remuneration and Compliance Committees. Performance evaluation has been carried out as per nomination and remuneration policy

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Yours director state that:

- i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards read with requirements set out under Schedule-III to the act, have been followed and there are no material departures from the same.
- 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 31<sup>st</sup> March, 2016 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv) The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2016 on a going concern basis.
- v) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:**

**A. CONSERVATION OF ENERGY :** The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy

**B. TECHNOLOGY ABSORPTION :** Not applicable in view of the nature of activities carried on by the Company.

**C. EXCHANGE EARNING AND OUTGO :** Foreign exchange earnings and outgo-NIL

**DEPOSIT:** The Company has not accepted any deposits from public.

**AUDIT OBSERVATIONS:** Auditors' observations are suitably explained in notes to the Accounts and are self explanatory.

**AUDITORS:****Statutory Auditors**

The Auditors M/s Bahety & Goenka, Chartered Accountants (FRN: 317111E) retires at conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The company has received a certificate from the retiring auditors to the effect that the appointment, if made will be in accordance within the limit specified in section 141 of Companies Act 2013

**Secretarial Audit**

According to the provision of section 204 of the Companies Act.2013 read with Rule 9 of the Companies(appointment and Remuneration of Managerial Personnel ) Rules,2014, the Secretarial Audit Report submitted by Company Secretary in Practice in enclosed as a part of this report Annexure-A.

**SHARE CAPITAL:****a) Issue of equity Shares with Differential rights**

The Company has not issued any equity shares with differential rights as per details provided in rule 4 of Companies (Share Capital & Debentures), Rules 2014.

**b) Issue of Sweat Equity Shares**

The Company has not issued any Sweat equity shares as per details provided in rule 8(13) of Companies (Share Capital & Debentures), Rules 2014.

**c) Issue of Employees Stock Options**

The Company has not issued any Employee Stock Option as per details provided in rule 12(9) of Companies (Share Capital & Debentures), Rules 2014.

**d) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

The Company has not purchased its own shares either from employees or by trustees for the benefit of employees.

**EXTRACT OF ANNUAL RETURN:**

Extract of Annual return is formed part of this report is annexed as MGT-9 in Annexure-B

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The disclosure as per rule 9 of companies (Corporate Social Responsibility Policy) Rules 2014 will not be applicable as this company does not fall within the ambit of this section.

**VIGIL MECHANISM:**

The board has adopted the Whistle blower policy. The policy has provided a mechanism for directors, employees and other person dealing with the company to report to the Chairman of the Audit Committee , any instance of unethical behavior, actual or suspected fraud or violation of code of conduct of the company.

**PARTICULARS OF LOAN GURANTEES OR INVESTMENTS:**

Detail of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**INTERNAL FINANCIAL CONTROL**

Your Company has adequate internal control system in place, commensurate with the size, scale and Complexity of the operation. The company has already carried out an audit on internal financial control by the third party. The statutory auditor has also commented on the internal financial control on financial reporting in their report

**RELATED PARTY TRANSACTION:**

Related party transactions that were entered during the financial year were on an arm’s length basis and were in the ordinary course of business. There were no materially significant related party transaction with the Company’s Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business activity. Detail of related party transaction provided separately in notes to accounts.

The Board of Directors of the company has, on the recommendation of the Audit Committee, adopted a policy to regulate transaction between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board

**MANAGERIAL REMUNERATION:**

Jitendra Kochar Managing Director : Remuneration paid – Rs 3,00,000/-(Previous Year Rs 3,00,000/-)

**RISK MANAGEMENT POLICY:**

The Company has been addressing various risks impacting the company and the policy of the Company on risk management is provided in Management Discussion and Analysis

**ACKNOWLEDGEMENT**

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

Registered Office

86, Canning Street , Kolkata – 700001

Dated: 12<sup>th</sup> August , 2016

Place: Kolkata

For and on behalf of the Board

JITENDRA KOCHAR AJIT KOCHAR

Managing Director Director

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN as on Financial Year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION and OTHER DETAILS:**

1.	CIN	L67120WB1992PLC056831
2.	Registration Date	22-10-1992
3.	Name of the Company	DAULAT SECURITIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY/ COMPANY HAVING SHARE CAPITAL
5.	Address of the Registered office and contact details	86, CANNING STREET , KOLKATA-700001
6.	Whether listed company	YES
7.	Name, Address and contact details of the Registrar and Transfer Agent, if any.	MAHESHWARI DATAMATICS PVT. LTD. 6 , MANGOE LANE , 2 <sup>ND</sup> FLOOR , KOLKATA-700001 (033-22435809/5029) <a href="mailto:mdpl@cal.vsnl.net.in">mdpl@cal.vsnl.net.in</a>



<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	825136	34600	859736	17.19	825378	24600	859978	17.20	0.01
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	419859	554119	973978	19.48	417817	519819	937636	18.75	-0.73
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	376386	186100	562486	11.25	376386	186100	562486	11.25	0
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	1100	0	1100	0	0.02
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies- D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	1621381	774819	2396200	47.92	1620681	740519	2361200	47.22	0.70
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1621381	774819	2396200	47.92	1620681	740519	2361200	47.22	0.70
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	4225181	774819	5000000	100	4259181	740819	5000000	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	AJIT KOCHAR	399900	8.00	0	399900	8.00	0	0
2	AJIT KOCHAR HUF	19000	0.38	0	19000	0.38	0	0
3	ANAMIKA KOCHAR	34700	0.69	0	34700	0.69	0	0
4	ANIL KOCHAR	529200	10.58	0	529200	10.58	0	0
5	ANIL KOCHAR HUF	40000	0.80	0	40000	0.80	0	0
6	B DAULAT LTD	297000	5.94	0	297000	5.94	0	0
7	JITENDRA KOCHAR	404000	8.08	0	404000	8.08	0	0
8	KANCHAN DEVI KOCHAR	12400	0.25	0	12400	0.25	0	0
9	KUSUM KOCHAR	30200	0.60	0	30200	0.60	0	0
10	NALINI KOCHAR	102000	2.04	0	102000	2.04	0	0

11	NARENDRA KOCHAR	160800	3.22	0	160800	3.22	0	0	
12	NARENDRA KOCHAR HUF	20000	0.40	0	20000	0.40	0	0	
13	SOHAN LAL ANIL KUMAR HUF	38800	0.78	0	38800	0.78	0	0	
14	SOHAN LAL KOCHAR	342100	6.84	0	342100	6.84	0	0	
15	SUNITA KOCHAR	159500	3.19	0	159500	3.19	0	0	
16	VASUDHA CHHAJER	14200	0.28	0	14200	0.28	0	0	
17	ADITI KOCHAR	0	0	0	35000	0.70	0	0.70	
S N	Particulars			Shareholding at the beginning of the year		Cumulative Shareholding during the year			
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	At the beginning of the year			2603800	52.08	2638800	52.78		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):								
SL No	Shareholders Name		Shareholdings				Increase / Decrease in Share Holdings	Cumulative shareholdings during the year 01-04-2015 to 31-03-2016	
			No of shares as on 01-04-2015	% of total shares of the company	No of shares as on 31-03-2016	% of total shares of the company			
1	AJIT KOCHAR		399900	8.00	399900	8.00	0	399900	8.00
2	AJIT KOCHAR HUF		19000	0.38	19000	0.38	0	19000	0.38
3	ANAMIKA KOCHAR		34700	0.69	34700	0.69	0	34700	0.69
4	ANIL KOCHAR		529200	10.58	529200	10.58	0	529200	10.58
5	ANIL KOCHAR HUF		40000	0.80	40000	0.80	0	40000	0.80
6	B DAULAT LTD		297000	5.94	297000	5.94	0	297000	5.94
7	JITENDRA KOCHAR		404000	8.08	404000	8.08	0	404000	8.08
8	KANCHAN DEVI KOCHAR		12400	0.25	12400	0.25	0	12400	0.25
9	KUSUM KOCHAR		30200	0.60	30200	0.60	0	30200	0.60
10	NALINI KOCHAR		102000	2.04	102000	2.04	0	102000	2.04
11	NARENDRA KOCHAR		160800	3.22	160800	3.22	0	160800	3.22
12	NARENDRA KOCHAR HUF		20000	0.40	20000	0.40	0	20000	0.40
13	SOHAN LAL ANIL KUMAR HUF		38800	0.78	38800	0.78	0	38800	0.78
14	SOHAN LAL KOCHAR		342100	6.84	342100	6.84	0	342100	6.84
15	SUNITA KOCHAR		159500	3.19	159500	3.19	0	159500	3.19
16	VASUDHA CHHAJER		14200	0.28	14200	0.28	0	14200	0.28
17	ADITI KOCHAR		0	0	35000	0.70	0.70	35000	0.70
3	At the end of the year			2603800	52.08	2638800	52.78		

**D) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters & Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ABHIJEET AGARWAL	35000	0.70	35000	0.70
2.	ABHISHEK AGARWAL	33605	0.67	33605	0.67
3.	ADITI INDUSTRIES LTD.	324417	6.488	324417	6.488
4.	ANAND POTATO COLD STORAGE PVT LTD	46840	0.94	46840	0.94
5.	ASHA PROMOTERS LTD.	203800	4.076	203800	4.076
6.	KV TRADERS PVT LTD.	36000	0.72	36000	0.72
7.	MADHU TRADE & INVESMENT CO PVT LTD.	61800	1.23	61800	1.23
8.	PURVI SHAH	41500	0.83	41500	0.83
9.	TARUN BAID	29500	0.59	29500	0.59
10.	VANI CHAND GHELANI	118000	2.36	118000	2.36



**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SOHAN LAL KOCHAR	342100	6.84	342100	6.84
2.	JITENDRA KOCHAR	404000	8.08	404000	8.08
3.	AJIT KOCHAR	399900	8.00	399900	8.00
4.	VASUDHA CHHAJER	14200	0.28	14200	0.28
5.	MADHU SUDAN DAGA	100	0.002	100	0.002
6.	DR P R KAMDAR	2500	0.05	2500	0.05
7.	JAIDEEP JILOKA	100	0.002	100	0.002

**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amt.
		JITENDRA KOCHAR (MD)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	300000	300000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total (A)	300000	300000
	Ceiling as per the Act		

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total(2)					
	Total(B)= (1+2)					
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total	NIL	NIL	NIL	NIL

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2016

To,  
The Members,  
DAULAT SECURITIES LIMITED (CIN:L67120WB1992PLC056831)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DAULAT SECURITIES LIMITED.(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **DAULAT SECURITIES LIMITED**( the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder ;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) other Acts- As per the information provided by the company ,its officers and authorize representative there is no such other act /s applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Secretarial Standards 1 and 2 are effective from July,2015, so compliances are done accordingly).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and Calcutta Stock Exchange Association Ltd.
- (iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015. (Effective from 1<sup>st</sup> December,2015)

To the best of my understanding, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further** report that based on the information provided by the company, its officers and its authorised representatives during the conduct of the audit , and also on the review of the Quarterly compliance report by respective department heads/CEO taken on record by the Board of Directors of the Company, in my opinion, adequate system and processes and control mechanism exist in the company to monitor and to ensure the compliance with applicable general laws such as labour laws and environmental laws.

**I further** report, that the compliance by the company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

**Further** As per section 203 of the Companies Act 2013 read with Companies(Appointment and Remuneration of Managerial Personnel) Rules,2014, Companies having paid up capital of Rs. 5 crores or more has to mandatorily have a Company Secretary in whole time employment. The Company has not appointed a Company Secretary in whole time employment yet. As per the representation made by management, the Company is in search of a suitable candidate for the post of Company secretary. Further I could not access the website of the Company properly due to some technical issues hence unable to comment on it. As per the representation made by management the website of the company is updated in all respect and is under maintenance.

**I further** report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further** report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has no such specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

This report is to be read with our letter of even date which is annexed as "Annexure - A" and forms an integral part of this Report.

Place : Kolkata  
Date: 25-7-2016

Alpana Agrawal  
ACS No. 36445  
C P No.: 13504

#### **"ANNEXURE – A" to the Secretarial Audit Report**

The Members,  
**DAULAT SECURITIES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata  
Date: 25-7-2016

Alpana Agrawal  
ACS No. 36445  
C P No.: 13504

#### **Management Discussion and Analysis**

##### **Industries Trends and 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 and 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-à-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 breakeven 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 and 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 in recent past but the company has been able to achieve higher income during the year when compared with immediate preceding year

##### **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.

**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 31<sup>st</sup> March, 2016, 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.

Place : Kolkata  
Date : 12<sup>th</sup> August , 2016

For **BAHETY & GOENKA**  
Chartered Accountants  
FRN:317111E  
Saurav Khanna  
Partner  
MN: 305100

**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 31<sup>ST</sup> March, 2016 :

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 and 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  
Date : 12<sup>th</sup> August , 2016

Jitendra Kochar  
Managing Director

**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	---	---
Mr. Madhusudan Daga	Independent and Non Executive Director	1	---

Mr.Jaideep Jiloka	do	---	---
Dr.P.R.Kamdar	do	---	----
Mr.Jitendra Kochar	Managing Director	---	---
Mr. Ajit Kochar	Whole Time Director	---	---
Mrs.Vasudha Chhajer	Director	---	---

\*\* Ceased to be Director after the Annual General Meeting held on 29<sup>th</sup>,September 2015.

As required under Regulation 26(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015 (“Listing Regulation”) the Chairmanship and Memberships in Audit Committee and Stakeholders’ Relationship Committee are only considered. Other directorships do not include directorship held in Private Ltd. companies. The Company is in compliance with the composition of Board of Directors in terms of the Listing Regulations

Six Meeting of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2016

Dates of Board Meeting : 15<sup>th</sup> May 2015 , 25<sup>th</sup> June, 2015 , 11<sup>th</sup> August 2015 , 09<sup>th</sup> November 2015  
12<sup>th</sup> February , 2016 and 28<sup>th</sup> March , 2016

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

Name of Director	No. of Board Meetings Attended	Attendance at the Last Annual General Meeting held on 29 <sup>th</sup> September 2015	No. Of Extra Ordinary General Meetings Attended (NIL Extra Ordinary General Meeting held)
Mr. Sohan Lal Kochar**	3	Yes	---
Mr. Madhusudan Daga	6	Yes	---
Mr. Ajit Kochar	6	Yes	---
Mr. Jitendra Kochar	6	Yes	---
Mr. Jaideep Jiloka	6	Yes	---
Dr.P.R.Kamdar	5	Yes	---
Mrs. Vasudha Chhajer	6	Yes	---

\*\* Ceased to be Director after the Annual General Meeting held on 29<sup>th</sup> September 2015.

**Non Executive Director Compensation and Disclosure.** : Non Executive Directors were not paid any compensation.

**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.

The Company has complied with the requirements of Regulation 18 of the listing Regulations with regard to the composition of the Audit Committee. All Members of the Committee are financially literate and have relevant finance and / or audit exposure. The Committee is entrusted with the responsibility of supervise the Company’s internal control and financial reporting process. The Statutory Auditors are invited in meeting as and when required, for interacting with the Members of the Committee regarding the accounts of the Company. The Managing Director and other senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

The terms of reference of Audit Committee are as under :

- 1) To review and recommend the quarterly financial statement of the company.
- 2) To review reports of the Internal Auditors quarterly:
- 3) To review weaknesses in internal controls reported by Internal as well as the Statutory Auditors.

Audit Committee has powers prescribed under Regulation 18(3) of the Listing Regulations and the scope of activities of the Audit Committee is prescribed in Part C of Schedule II of this Regulation. Audit Committee also mandatory reviews the information prescribed under Part C of Schedule III.

**Composition, Name of Members and Chairman**

The Audit Committee consists of Two Non-Executive and Independent Directors including the Chairman of the Committee and one Executive Director viz. Mr. Madhusudan Daga Chairman Independent Director , Mr. Jaideep Jiloka Independent Director and Mrs. Vasudha Chhajer Executive Director

**Meetings and Attendance during the year ended 31<sup>st</sup> March 2016.**

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga (Independent) Chairman	5	5
Mr. Jaideep Jiloka (Independent)	5	5
Mrs. Vasudha Chhajer	5	5

**REMUNERATION COMMITTEE**

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

**Composition**

The Remuneration Committee consists of Two Non-Executive and Independent Directors including the Chairman of the Committee and one Executive Director

1. Mr. Madhusudan Daga Chairman Independent Non-Executive
2. Mr. Jaideep Jiloka Independent Non-Executive
3. Mrs. Vasudha Chhajer Executive Director

**Meetings and Attendance during the year ended 31<sup>st</sup> March 2016.**

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga	1	1
Mr. Jaideep Jiloka	1	1
Mrs. Vasudha Chhajer	1	1

**Remuneration to Director: Executive Director**

Jitendra Kochar

Managing Director

Remuneration Paid – Rs 3, 00,000/-

**STAKE HOLDERS RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee of the board (earlier known as Shareholders/Investors Grievance Committee) oversees 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. Madhusudan Daga
Members:	Mr. Jaideep Jiloka and Mrs. Vasudha Chhajer
Compliance Officer:	Mr. S.P.Lunia

The Stakeholders Relationship Committee met 1(One) time during the year:

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga	1	1
Mr. Jaideep Jiloka	1	1
Mrs. Vasudha Chhajer	1	1
Mr. Surya Prakash Lunia	1	1

Complaints received during the year ended 31<sup>st</sup> March 2016.- Nil.

There were no pending transfers as on 31<sup>st</sup> March 2016

**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 (20 <sup>th</sup> )	11 <sup>th</sup> September, 2013	Kolkata	11.00 A.M.
AGM (21 <sup>th</sup> )	27 <sup>th</sup> September, 2014	Kolkata	11.00 A.M.
AGM (22 <sup>nd</sup> )	29 <sup>th</sup> September, 2015	Kolkata	11.00 A.M.

**Special Resolutions passed in previous three Annual General Meetings :-**

Shareholders' Meetings	Special Business requiring Special Resolution
20 <sup>th</sup> AGM 11 September, 2013	NIL
21 <sup>st</sup> AGM 27 September, 2014	Special Resolution for the Alteration in the Object Clause of Memorandum of Association of the Comp
22 <sup>nd</sup> AGM 29 September, 2015	a) Special Resolution for the Re- Appointment of Mr. Jitendra Kochar as Managing Director for a term of further 3 years. b) Special Resolution for the Amendment in the Article of Association of the Company.

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) Mr. Ajit Kochar aged about 50 years is a Chartered Accountant having rich experience in the field of Finance and Stock Market.. He has been director of the company since 1993.
- 2) Mrs. Vasudha Chhajer aged about 30 years is a Bsc, Msc by profession having rich experience in the field of Tax, Accounts and Economic matters.

**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. Business Standard, Sukhabar and are also displayed on the Company's website [www.daulatsec.com](http://www.daulatsec.com). The Company is not in practice of sending Half-Yearly Report to each household of Shareholders. Notice relating to AGM and Extraordinary General Meeting etc. is sent to members at their registered address.

**General Shareholder Information**

1. Financial reporting for the quarter ending
  - June 30, 2016
  - September 30, 2016
  - December 31, 2016
  - March 31, 2017
2. Registered Office: 86, Canning Street, Kolkata – 700001.
3. Listing of Equity Shares on Stock Exchanges
  - a) The Stock Exchange, Mumbai
  - b) The Calcutta Stock Exchange Ltd, Kolkata.

:

**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 2016-17 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 2015-16

Market Price Data (Monthly High and Low in 2015-16)						
Month	Bombay Stock Exchange			Calcutta Stock Exchange		
	High	Low	No of shares traded	High	Low	No of shares traded
Apr-15	10.76	10.23	19	NIL	NIL	NIL
May-15	NIL	NIL	NIL	NIL	NIL	NIL
Jun-15	NIL	NIL	NIL	NIL	NIL	NIL
July-15	10.00	10.00	3	NIL	NIL	NIL
Aug-15	11.00	10.50	2	NIL	NIL	NIL
Sep-15	NIL	NIL	NIL	NIL	NIL	NIL
Oct-15	10.45	9.93	32	NIL	NIL	NIL
Nov-15	NIL	NIL	NIL	NIL	NIL	NIL
Dec-15	10.42	9.90	8	NIL	NIL	NIL
Jan-16	9.41	9.41	2	NIL	NIL	NIL
Feb-16	NIL	NIL	NIL	NIL	NIL	NIL
Mar-16	NIL	NIL	NIL	NIL	NIL	NIL

**Registrar and Share Transfer Agents:**

**M/s. Maheshwari Datamatics Pvt.Ltd.**

6, Mangoe Lane, 2<sup>nd</sup> 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 31<sup>st</sup> March, 2016**

Shares held	No. of Equity Shareholders	% of Shareholders	Total No Shares Held	% of Shareholding
1-500	1835	9.5939	347275	6.9455
501-1000	170	7.5859	133665	2.6733
1001-2000	67	2.9897	103182	2.0636
2001-3000	62	2.7666	157651	3.1530
3001-4000	10	0.4462	35068	0.7014
4001-5000	23	1.0263	111890	2.2378
5001-10000	21	0.9371	173456	3.4687
10000 and above	53	2.3650	3937833	78.7567
Total	2241	100.0000	5000000	100.0000

**Categories of Shareholding (as on 31<sup>st</sup> March, 2016)**

Sr. No.	Category of Holders	No. of Shares	% of Equity
1.	Promoters' Holding	2638800	52.7760
	<b>Sub-Total</b>	2638800	52.7760
2.	Mutual Funds / UTI	--	--
3.	Banks / Financial Institutions / Insurance Companies (Central / State Govt. Institutions / Non Govt. Institutions)	--	--
4.	Flls / GDR	--	--
	<b>Sub-Total</b>	--	--
5.	Others	--	--
	Private Corporate Bodies	859978	17.1996
	Indian Public	1501222	30.0244
	NRIs / OCBs / Foreign Company	--	--
	<b>Sub Total</b>	2361200	47.2240
		5000000	100.0000

**Dematerialization of Shares and liquidity:**

Over 85.18362 % of Equity Shares have been dematerialized up to 31<sup>st</sup> March 2016.

**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: 27-9- 2016 at 11.00 A.M.  
 Venue: **MANGLAM**, 29, Lansdowne Place Kolkata 700029  
 Book Closure Date: 21-9-2016 to 27-9-2016 (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:12-8-2016

For Daulat Securities Ltd  
 Jitendra Kochar  
 Managing Director

**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 **31<sup>st</sup> March, 2016**, the Statement of Profit and Loss account for the year then ended, 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**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ('the Act') with respect to the preparation 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 specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules, 2014. The responsibility also includes the maintenance of adequate accounting records in accordance with provisions of the act for safeguarding the assets of the companies and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate financial internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act. The 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 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 **31<sup>st</sup> March,2016**;
- 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 the Cash Flow Statement, of the **cash flows** of the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by section 143(3) of the act, we report that
  - a) We have sought and 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, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 and taken on record by the Board of directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of section 164(2) of the act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The company did not have any long term contracts including derivative contracts for which there any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the company.

Place : Kolkata  
Date : 27<sup>th</sup> May , 2016

For **BAHETY & GOENKA**  
Chartered Accountants  
FRN:317111E  
Saurav Khanna  
Partner  
MN: 305100

**Annexure A to the Independent Auditor's Report**

The Annexure referred to in our report to the members of the **Daulat Securities Limited** for the year ended 31<sup>st</sup> March 2016. We report that:

**i) In Respect of Fixed Asset:**

- (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) The title deeds of immovable properties are held in the name of the Company.

**ii) In respect of Inventory**

The physical verification of inventory has been conducted at reasonable intervals by the management; In our opinion no material discrepancies were noticed on physical verification by the management as compared to book records.

**iii) In respect of Loans secured and unsecured to parties covered by clause (76) of Section 2 of Co. Act 2013.**

- (a) According to the information and explanation given to us, the Company has not granted any loans to Companies, firms or other parties covered by clause (76) of Section 2 of Companies Act 2013.

**iv) In respect of Loans, Investments and guarantees.**

According to the information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of Companies Act, 2013 in respect of loans, investments, guarantee and security.

**v) Deposits**

The Company has not accepted any deposits in accordance with Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

**vi) Cost Audit**

As per information and explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

**vii) Statutory Dues**

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax/VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us there is amount payable in respect of Income Tax, service tax which is not been deposited on account of any dispute is as follows:

Sl. No	Nature of Statute	Nature of dues	Amount (Rs)	Period to which the Amount relates (A.Y.)
1	Income Tax Dept.	O/s Demand raised by CPC on 26/03/2016	61,162/-	2004-05
2	Income Tax Dept.	O/s demand raised by AO on 31/12/2009	38,821/-	2006-07
3	Income Tax Dept.	O/s demand raised by AO on 28/01/2011	9,822/-	2009-10
4	Income Tax Dept.	O/s demand raised by CPC on 04/07/2013	2,570/-	2011-12
5	Income Tax Dept.	O/s demand raised by AO on 26/03/2015	91,9180/-	2012-13
6	Income Tax Dept.	TDS default	43,030/-	Prior Years

**viii) Loans from Bank or Financial Institutions**

In our opinion and according to the information and explanations given to us, the Company has not availed any loan from financial institutions or Banks during current year or in preceding financial year except a car loan from HDFC Bank Ltd.

**ix) Public Issues**

Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of public issues during the year.

**x) Fraud**

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.

**xi) Managerial Remuneration**

Based upon the audit procedures performed and the information and explanations given by the management, the Managerial Remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

**xii) Nidhi Company**

In our opinion, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.

**xiii) Related Party Transactions**

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 188 and 177 of Companies Act, 2013. The details have been disclosed in the Financial Statements etc as required by the Accounting Standards and Companies Act, 2013.

**xiv) Preferential allotment/ Private placement**

Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment/ private placement of shares or debentures during the year under review.

**xv) Non Cash Transactions u/s 192 of the Companies Act, 2013**

According to the information and explanations given to us, the Company has not entered into any non cash transaction with directors or persons connected with him in accordance with Section 192 of Companies Act, 2013.

**xvi) Registration u/s 45-IA of the Reserve Bank of India Act, 1934**

In our opinion, the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

For **BAHETY & GOENKA**

Chartered Accountants

FRN:317111E

Saurav Khanna

Partner

MN: 305100

Place : Kolkata

Date : 27<sup>th</sup> May , 2016

**Annexure B to the Independent Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Daulat Securities Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In my our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BAHETY & GOENKA**  
Chartered Accountants  
FRN:317111E  
Saurav Khanna  
Partner  
MN: 305100

Place : Kolkata  
Date : 27<sup>th</sup> May , 2016

**BALANCE SHEET as at 31<sup>st</sup> March , 2016**

Particulars	Note No	As at 31/03/2016	As at 31/03/2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	50,000,000	50,000,000
(b) Reserves and Surplus	2	67,150,987	64,530,589
<b>(2) Share application money pending allotment</b>		NIL	NIL
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	864,345	-
(b) Deferred tax liabilities (Net)	4	42,952	54,894
(c) Other Long term liabilities	5	65,000	65,000
(d) Long term Provisions	6	274,283	204,932
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	7	-	458,926
(b) Trade payables		15,674,424	1,066,985
(c) Other current liabilities	8	782,096	2,112,048
(d) Short-term provisions	9	136,339	475,000
<b>TOTAL</b>		134,990,426	118,968,374
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	7,038,763	5,920,411
(b) Non-current Investments	11	37,145,895	40,289,241
(c) Long term Loans and Advances	12	21,496,555	11,170,520
<b>(2) Current Assets</b>			
(a) Inventories	13	45,344,294	37,500,655
(b) Trade receivables	14	905,472	1,093,782
(c) Cash and cash equivalents	15	5,264,825	3,191,445
(d) Short-term loans and advances	16	17,500,000	18,633,522
(e) Other current assets	17	294,622	1,168,798
<b>TOTAL</b>		134,990,426	118,968,374
Significant Accounting Policies			
See accompanying Notes to the Financial Statements			
	1 to 23		

In terms of our report attached.  
For **BAHETY & GOENKA**  
Chartered Accountants  
FRN NO. 317111E  
Saurav Khanna  
Partner  
Membership No. 305100  
Place : Kolkata  
Dated : 27<sup>th</sup> May , 2016

For and on behalf of Board  
Jitendra Kochar  
Managing Director  
DIN No. : 00556392  
Ajit Kochar  
Director  
DIN No. : 00933365

**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No	For year ended 31/03/2016	For year ended 31/03/2015
<b>III. INCOME</b>			
I. Revenue from Operations	18	1,367,909	1,137,212
II. Other Income	19	5,566,429	6,570,406
<b>III. Total Revenue (I +II)</b>		<b>6,934,338</b>	<b>7,707,618</b>
<b>IV. EXPENDITURE:</b>			
Employee Benefit Expense	20	1,896,406	1,882,930
Administration and Other Expenses	21	1,450,410	1,733,709
Depreciation and Amortization Expense	10	191,648	160,066
Other Expenses	22	386,049	220,659
<b>IV. Total Expenses</b>		<b>3,924,513</b>	<b>3,997,364</b>
<b>V. Profit before Tax (III - IV)</b>		<b>30,09,825</b>	<b>37,10,254</b>
<b>VI. Tax expenses:</b>			
(1) Current tax		4,15,000	4,75,000
(2) Earlier Years		13,631	24,088
(3) Deferred Tax		11,942	-
<b>VII. Profit for the period</b>	(V-VI)	<b>26,20,398</b>	<b>32,11,166</b>
<b>VIII. Earning per equity share:</b>			
(1) Basic		0.52	0.64
(2) Diluted		0.52	0.64
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 23		

In terms of our report attached.  
For **BAHETY & GOENKA**  
Chartered Accountants  
FRN NO. 317111E  
Saurav Khanna  
Partner  
Membership No. 305100  
Place : Kolkata  
Dated : 27<sup>th</sup> May , 2016

For and on behalf of Board  
Jitendra Kochar  
Managing Director  
DIN No. : 00556392  
Ajit Kochar  
Director  
DIN No. : 00933365

**Notes on Financial statements for the year ended 31st March 2016**

		As at 31/03/2016	As at 31/03/2015
<b>1</b>	<b>Share Capital</b>		
a	<b>Authorised Share Capital:</b>		
	6000000 number of Equity shares of Rs. 10 each	60,000,000	60,000,000
b	<b>Issued, Subscribed and Fully Paid up Share Capital:</b>		
	5000000 number of Equity shares of Rs. 10 each	50,000,000	50,000,000
c	<b>Par Value per Share</b>	10	10
d	<b>Reconciliation of the no. of shares</b>		
	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

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

Name of the Share Holder	As at 31/03/2016	%	As at 31/03/2015	(%)
Ajit Kochar	399,900	7.99	399,900	7.99
Anil Kochar	529,200	10.58	529,200	10.58
B. Daulat Ltd	297,000	5.94	297,000	5.94
Jitendra Kochar	404,000	8.08	404,000	8.08
Sohan Lal Kochar	342,100	6.84	342,100	6.84
Aditi Industries Ltd.	324,417	6.48	324,417	6.48

2	<u>Reserves and Surplus</u>	As at 31/03/2016	As at 31/03/2015
a	General Reserve Opening Balance Add: Transfer from Profit and Loss Account Closing balance	4,010,000 - 4,010,000	4,010,000 - 4,010,000
b	Surplus from Profit and Loss Account Opening balance Add: Current Year Surplus Less: Adjustment relating to Fixed Asset Closing balance	60,520,589 2,620,398 - 63,140,987	57,373,292 3,211,166 63,869 60,520,589
	<b>TOTAL(a + b)</b>	<b>67,150,987</b>	<b>64,530,589</b>
3	<u>Long Term Borrowings</u>	As at 31/03/2016	As at 31/03/2015
a	Secured Loan from HDFC Bank	864,345 <b>864,345</b>	- -
4	<u>Deferred Tax Liabilities (Net)</u>	As at 31/03/2016	As at 31/03/2015
a	Opening Balance B/f Less: Reversal of Deferred Tax Liability	54,894 11,942 <b>42,952</b>	54,894 - <b>54,894</b>
5	<u>Other Long Term Liabilities</u>	As at 31/03/2016	As at 31/03/2015
a	Rent Deposit	65,000 <b>65,000</b>	65,000 <b>65,000</b>
6	<u>Long term provisions</u>	As at 31/03/2016	As at 31/03/2015
a	Provision for Employee Benefit Add: Current year	204,932 69,351 <b>274,283</b>	136,687 68,245 <b>204,932</b>
7	<u>Short term borrowings</u>	As at 31/03/2016	As at 31/03/2015
a	Bank Overdraft (Overdrawn due to Reconciliation)	- -	458,926 <b>458,926</b>



<b>8</b>	<b><u>Other Current Liabilities</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a.	Sundry Creditors for expenses	78,815	87,272
b.	Margin received from clients	703,281	2,024,776
		<b>782,096</b>	<b>2,112,048</b>
<b>9</b>	<b><u>Short Term Provisions</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a.	Provision for Income Tax (Net of Tax Deducted at Source)	136,339	475,000
		<b>136,339</b>	<b>475,000</b>

**10. FIXED ASSETS- TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as on	Addition during	Ded. during	Balance as on	Balance as on	For the	Ded. during	Balance as on	Balance as on	Balance as on
	01-04-15	the year	the year	31-03-16	01-04-15	year	the year	31-03-16	31-03-16	31-03-15
Leasehold Properties	358540	0	0	358540	225800	3236	0	229036	129504	132740
Off.Premises & Building	6475235	0	0	6475235	2114823	85500	0	2200323	4274912	4360412
Fax Machines & EPBX	83269	0	0	83269	65167	1604	0	66771	16498	18102
Office Equipments	114389	0	0	114389	81912	3168	0	85080	29309	32477
Air Conditioners	470092	0	0	470092	411977	19376	0	431353	38739	58115
Cellular Phones & Pagers	86316	0	0	86316	83226	620	0	83846	2470	3090
Generator	45260	0	0	45260	43225	680	0	43905	1355	2035
Furniture and Fittings	370636	0	0	370636	356290	4784	0	361074	9562	14346
Motor Cars	1210070	1310000	0	2520070	1164011	70332	0	1234343	1285727	46059
Computer & Peripherals	2734615	0	0	2734615	2734615	0	0	2734615	0	0
Electricity Fittings	148400	0	0	148400	141355	2348	0	143703	4697	7045
Land	1245990	0	0	1245990	0	0	0	0	1245990	1245990
<b>TOTAL</b>	<b>13342812</b>	<b>1310000</b>	<b>0</b>	<b>14652812</b>	<b>7422401</b>	<b>191648</b>	<b>0</b>	<b>7614049</b>	<b>7038763</b>	<b>5920411</b>
<b>PREVIOUS YEAR</b>	<b>13326987</b>	<b>15825</b>	<b>0</b>	<b>13342812</b>	<b>7262335</b>	<b>160066</b>	<b>0</b>	<b>7422401</b>	<b>5920411</b>	<b>6128521</b>

**Note:** Motor Car was purchased for Rs 13,10,000/- on 23-11-2015

<b>11</b>	<b><u>Non-current investments</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a.	Trade Investments	33,199,525	36,342,871
b.	Other Investments - Investment in Mutual funds	3,946,370	3,946,370
		<b>37,145,895</b>	<b>40,289,241</b>
<b>12</b>	<b><u>Long term loans and advances</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
	(Unsecured and considered good)	-	-
a.	Advances	113,307	116,272
b.	Income Tax deducted at source	602,248	602,248
c.	Membership and deposits with Stock Exchanges	8,077,000	8,077,000
d.	Other Deposits	12,704,000	2,375,000
		<b>21,496,555</b>	<b>11,170,520</b>
<b>13</b>	<b><u>Inventories</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a	Stock in Trade (in respect of goods acquired for trading)	45,344,294	37,500,655
		<b>45,344,294</b>	<b>37,500,655</b>

<b>14</b>	<b><u>Trade Receivables</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a	(Unsecured, considered good) Trade receivables outstanding for - more than 6 months - others	854,803 50,669	129,005 964,777
		<b>905,472</b>	<b>1,093,782</b>
<b>15</b>	<b><u>Cash and Bank Balances</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a	Cash and cash equivalents		
i	Balance with banks In current account	2,621,468	345,113
ii	Cash in hand	109,138	312,113
b	Other Bank Balances: in Fixed deposit	2,534,219	2,534,219
		<b>5,264,825</b>	<b>3,191,445</b>
<b>16</b>	<b><u>Short-term Loans and Advances (Unsecured and Considered Good)</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a.	Loans Given	17,500,000	18,311,883
b.	Tax Deducted at source (Current Year)	-	321,639
		<b>17,500,000</b>	<b>18,633,522</b>
<b>17</b>	<b><u>Other Current Assets</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a.	Brokerage Receivable	223,228	-
b.	Dividend Receivable	15,520	17,334
c.	Bond Interest Receivable	-	560,050
d.	Interest accrued	55,874	591,414
		<b>294,622</b>	<b>1,168,798</b>
<b>18</b>	<b><u>Revenue from Operations</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a.	Income From Operations	1,367,909	1,137,212
		<b>1,367,909</b>	<b>1,137,212</b>
<b>19</b>	<b><u>Other Income</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a	Interest Income	4,787,055	4,824,704
b	Dividend Income	671,809	585,794
c	Net gain / (loss) on sale of investment	4,410	956,756
d	Rent Received	103,155	103,152
e	Other Miscellaneous receipts	-	100,000
		<b>5,566,429</b>	<b>6,570,406</b>
<b>20</b>	<b><u>Employee Benefit Expenses</u></b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
a	Salaries and Wages	1,742,500	1,719,500
b	Welfare Expenses	84,555	95,185
c	Provision for Employee Benefit	69,351	68,245
		<b>1,896,406</b>	<b>1,882,930</b>

21	<u>Administrative and Other Expenses</u>	As at 31/03/2016	As at 31/03/2015
a.	Advertisement	37,568	29,808
b.	Audit fees		
	a) Statutory and Tax Audit	22,900	22,472
	b) Certification fees	5,750	5,618
c.	Bank charges	12,376	10,896
d.	Computer Consumables and Upkeep	66,770	70,348
e.	Electricity Charges	91,660	81,350
f.	Filing Fees	-	22,600
g.	Insurance	36,239	37,052
h.	Internal Audit Fess	19,000	10,000
i.	Listing Fees	236,518	124,158
j.	Membership and Subscription	2,140	226,660
k.	Motor Car Fuel and Maintenance	166,100	161,600
l.	Postage and Courier	81,644	118,060
m.	Printing and Stationery	85,594	155,170
n.	Professional Fees	10,000	22,486
o.	Rent and Taxes	334,300	314,300
p.	Registrar and Share Transfer Agent Fees	53,161	44,942
q.	Software Charges	12,595	12,360
r.	Telephone and fax	65,192	153,478
s.	Travelling and Conveyance	110,902	110,351
		<b>1,450,410</b>	<b>1,733,709</b>
22	<u>Other Expenses</u>	As at 31/03/2016	As at 31/03/2015
a.	General Expenses	298,984	146,052
b.	Books and Periodicals	22,035	21,485
c.	Xerox Charges	20,265	8,852
d.	Entertainment Expenses	44,765	44,270
		<b>386,049</b>	<b>220,659</b>

**Details of Point No. 11 INVESTMENTS**

INVESTMENTS ( At cost )	Face	As on 31.03.2016		As on 31.03.2015	
	Value	Holdings	Book Value	Holdings	Book Value
	Rs.	Nos.	Rs.	Nos.	Rs.

**A. TRADED**
**QUOTED EQUITY SHARES FULLY PAID-UP**

3I Infotech Ltd.	10	35900	497285	35900	497285
Aditya Birla Novo Ltd	10	25	34586	74	102375
Alok Industries Ltd	10	50000	673050	50000	673050
Ansal Housing Ltd.	10	4000	131779	5000	164779
Assam Carbon Product Ltd.	10	0	0	200	7500
Astrazenica Pharma Ltd.	10	0	0	700	681585
Benchmark Gold Bees	100	471	1350454	474	1359058
Charminar Beverages Ltd.	10	1000	4000	1000	4000
Colgate Pamolive Ltd.	1	4000	4028600	0	0
Corporation Bank	2	4000	371593	4000	371593
Dalmia Bharat Sugar & Ind Ltd	2	0	0	1890	18900
Dena bank	10	1000	62000	1000	62000
Dish Tv Ltd	1	2500	232250	3000	278700
Electrosteel Castings Ltd	1	1800	27000	1800	27000
Electrosteel Steels Ltd	10	30000	190500	30000	190500
Emami Infra Ltd.	10	0	0	4800	192065
Entegra Ltd	10	0	0	50	210
Ginni Filament Ltd.	10	0	0	14500	182900
GTL Infra Ltd.	10	15700	154830	15700	154830
GTL Ltd	10	4000	213460	4000	213460

Name	FV.	Qty	Book Value	(Qty)	(Book Value)
GTN Industries Ltd	10	0	0	300	1981
Gujarat Sidhi Cement Ltd	10	39600	1652250	52000	2169950
HDIL	10	1200	153660	1200	153660
Herdilla Unimers Ltd.	10	0	0	200	4500
High Street Filatex Ltd.	10	500	20000	500	20000
Himachal Futuristic	1	16400	337560	16400	337560
HUDCO Tax Free Bond	1000	3000	3450000	3000	3450000
IFCI Ltd	10	30500	1364900	30500	1364900
Indo Solar Ltd.	10	2000	38475	2000	38475
JCT Ltd	10	0	0	26000	156000
Jindal Saw Ltd.	10	2000	185000	2900	268250
Jsw Steels Limited	10	0	0	88	71175
Jyoti Structure Ltd.	10	4000	276400	4000	276400
KCP Sugars Ltd	1	0	0	2700	35370
Kerala Ayurvedic Ltd.	10	700	1925	700	1925
King Fisher Airlines Ltd	10	9561	83988	12561	100488
Lifeline Medicare Ltd.	10	300	1200	300	1200
Midland Plastics Ltd.	10	3400	20570	3400	20570
MMTC Ltd.	10	4540	432032	8940	850032
Moil Ltd.	10	217	90229	217	90229
Nahar Poly Film Ltd	5	0	0	2300	23000
Narmada Cement Ltd.	10	0	0	100	950
Next Mediaworks Ltd	10	0	0	300	3585
NHAI Tax Free Bond	1000	1795	2064250	1795	2064250
Oswal Chemicals Ltd	10	0	0	1000	16650
Patspin India Ltd	10	2000	12400	9076	56444
Phonex Lamps Ltd.	10	2400	338476	3400	479476
PPIL Ltd.	10	0	0	200	700
Rain Investment Ltd	10	9000	396636	0	0
Rama News Print Ltd.	10	0	0	14000	217625
Reliance Industries Ltd	10	0	0	4650	4327987
Reliance Power Ltd	10	9950	747907	11950	897907
Restile Ceramic Ltd.	10	1660	8300	1660	8300
S Kumars Nationwide Ltd	10	0	0	100	2750
SBI Bond 04NV25	10000	171	1836520	171	1836520
SBI Bond 9.95%	10000	370	4262400	370	4262400
SCI Ltd	10	2000	201161	2000	201161
SEAMAC Ltd	10	1550	254174	1950	269454
Shree Precoated Steel Ltd.	10	39953	153819	39953	153819
Siemens Ltd.	2	0	0	100	75950
Soma Textiles Limited	10	0	0	115301	893583
Spentax Industries Ltd.	10	5000	100490	5000	100490
State Bank of India	1	500	142400	500	142400
Tata Chemicals Ltd	10	2000	888000	0	0
The CSEA Ltd	100	250	2500000	250	2500000
TRF Ltd.	10	594	171072	594	171072
Usha Martin Education & Soloution Ltd	1	6149	170076	6149	170076
UTI Gold	10	865	2371383	865	2371383
VEDL	1	900	236088	900	236088
Zuari Agro Chemicals Ltd	10	535	132199	535	132199
Zuari Global Ltd	10	535	132199	535	132199
Sub Total	(A)		33199525		36342871
Investment In Mutual Fund(Unquoted)	(B)		3946370		3946370
TOTAL	A+B		37145895		40289241
Aggregate Market Value of Quoted Investments as on 31-3-2016 (Rs.)			11756572		24057961



**NOTE: 23**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.**

**SIGNIFICANT ACCOUNTING POLICIES**

**(I)**

- a) **BASIS OF PREPARATION OF FINANCIAL STATEMENTS:** The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP), under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of the Companies(Accounts) Rules, 2014, the provisions of the Act(to the extent notified) and guidelines issued by the Securities and Exchange Board of India(SEBI). Accounting policies have been consistently applied.
- b) **USE OF ESTIMATES:** The preparation of Financial statement in conformity with Indian GAAP require judgments, estimates and assumptions to be made that affect the reported amount of assets and Liabilities, disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period.. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.
- c) **PROVISIONS AND CONTINGENT LIABILITIES:** A provision is recognised if, as a result of past event, the Company has a present legal obligation that is reasonably estimate, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- d) **FIXED ASSETS:** Tangible Assets are stated at cost net off recoverable taxes, trade discounts and rebate and include amounts added on revaluation, less accumulated Depreciation and impairment loss if any. The cost of Tangible Assets Comprises its Purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variation attributable to assets. Subsequent expenditures related to an item of Tangible asset are added to its book value only if they increase the future benefits from the existing Asset beyond its previously assessed standard of performance.
- e) **DEPRECIATION:** Depreciation on Fixed Assets is provided on the straight line method over the useful life of the asset as prescribed in Schedule II of Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.
- f) **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.
- 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.
- h) **INCOME TAXES:** Income Taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the liability computed, after considering tax allowances and exemptions. Minimum Alternate Tax(MAT) paid in accordance with the laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period. The Company offsets, on a year-to-year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. The differences that result between the profit considered for income taxes and the profit as per financial statements are identified, and thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets and Deferred tax liabilities have been set off wherever the company has a legal enforceable right to set off current assets with current liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.
- i) **EARNING PER SHARE:** Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF REVISED SCHEDULE III OF THE COMPANIES ACT, 2013**

- II. Leasehold premises at Chennai is 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 25,00,000/-(Previous Year Rs 31,00,000/-) are deposited with National Stock Exchange of India Ltd 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 31<sup>st</sup> March 2016.

<u>Particulars</u>	<u>Quantity (Nos.)</u>	<u>Amount (Rs.)</u>
Opening Stock	956495 (865456)	37500655 (39671978)
Purchase	9368910 (10855039)	807214523 (983595770)
Sales	9030756 (10764009)	770875188 (998497601)
Closing Stock	1294649 (956495)	45344294 (37500655)

(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**

Name	Purchase of securities(Rs)		Sale of securities(Rs)	
	31-3-2016	31-3-2015	31-3-2016	31-3-2015
<b>KEY MANAGEMENT PERSONNEL</b>				
AJIT KOCHAR	1095458	1375121	3706676	1219744
JITENDRA KOCHAR	335007	0	328109	0
<b>OTHERS</b>				
ADITI KOCHAR	125300	523984	164320	524650
AJIT KOCHAR HUF	0	0	1329821	0
ANAMIKA KOCHAR	1241325	1113441	175685	1011775
ANIL KOCHAR	1086285	0	309013	0
ARYAN KOCHAR	2561078	7697969	4220554	7363616
B. DAULAT LTD	3569523	1086077	3137063	3324766
JAIDEEP JILOKA	37384121	0	33932953	0
JITENDRA KOCHAR HUF	191007	3311911	205266	3178994
KUSUM KOCHAR	16121	440576	1159153	508119
NARENDRA KOCHAR	916021	1292584	1656990	723455
NIPUN KOCHAR	0	0	1602951	0
RUKHSAR KOCHAR	863577	0	741122	0
SOHAN LAL KOCHAR	2985118	1139078	1614361	2310059
SUNITA KOCHAR	1115957	656662	805702	190944
VAIBHAV KOCHAR	4510307	1927556	4882174	1743279
VASUDHA CHHAJER	1051475	871352	195969	425882
VATSALA KOCHAR	278928	0	1504239	0
VIDITA KOCHAR	0	0	722348	0
YASHOVARDHAN KOCHAR	1831831	502177	3258797	409050

**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 31<sup>st</sup> March 2016 are nil.

Signature to Notes 1-23

For **BAHETY & GOENKA**

Chartered Accountants

FRN No. 317111E

Saurav Khanna

Partner

Membership No. 305100

Place : Kolkata

Dated : 27<sup>th</sup> May , 2016

**For and on behalf of Board**

Jitendra Kochar

Managing Director

DIN No.: 00556392

Ajit Kochar

Director

DIN No.: 00933365

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Pursuant to Clause 32 of Listing Agreement with Stock Exchange

Particulars	For the Year Ended on		For the Year Ended on	
	31.03.2016		31.03.2015	
	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra Ordinary Items		3,009,824.94		3,710,253.72
<u>Adjustment for :</u>				
Depreciation	191647.6233			160,066.00
Dividend Received	(671,808.81)		585,794.40	
Interest Received	(4,787,054.93)		4,824,703.63	
Profit on sale of Investment	(4,409.71)		956,756.04	
Provision for Employee Benefit	69,351.00	(5,202,274.83)	3,558.00	6,363,696.07
Operating Profit/Loss before Working Capital changes		(2,192,450)		(2,493,376.35)
<u>Adjustment for Working Capital changes:</u>				
Changes in Current Assets	-5969269.97		11,497,201.00	
Changes in Current Liabilities	12818561.15		(2,018,598.00)	
(Increase) / Decrease in Net Current Assets		6,849,291.00		9,478,603.00
Less :Taxes Paid		(139,730.00)		(324,904.00)
Net Cash flow from Operating Activities		4,517,111.00		6,660,323

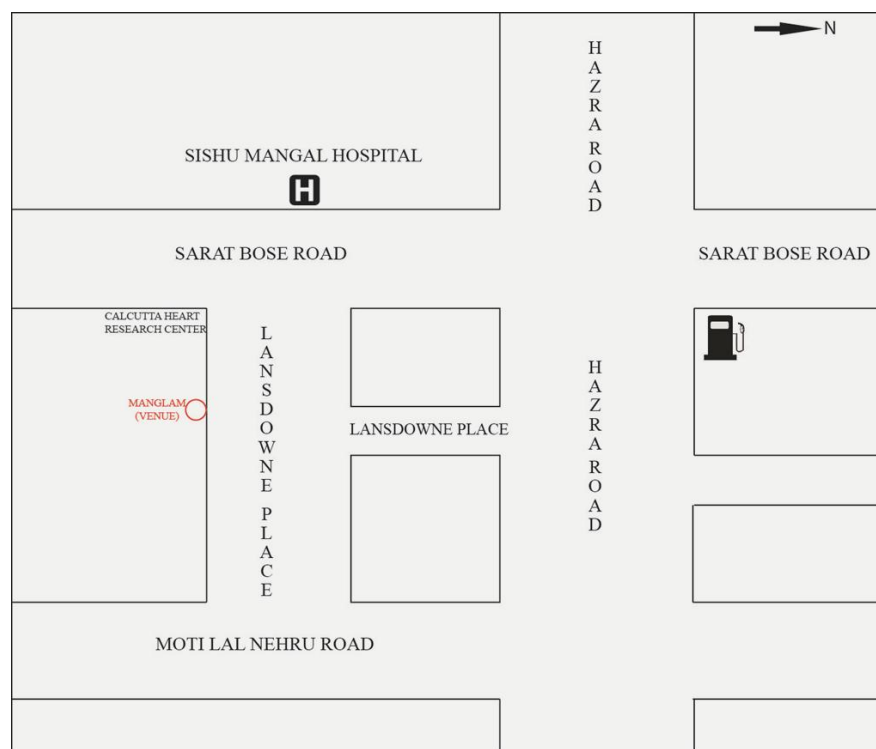
<b>CASH FLOW FROM INVESTING</b>			
<b>B. ACTIVITIES</b>			
Purchase of Fixed Assets	(1,310,000.00)		(15,825.00)
Purchase of Investments	(5,529,235.00)		(14,487,137.65)
Sale of Investments	8,676,991.91		6,480,215.70
Interest Received	4,508,392.73		-
Dividend Received	671,808.81		-
Net Cash flow from Investing Activities	7,017,958.45		(8,022,746.95)
<b>CASH FLOW FROM FINANCING</b>			
<b>C. ACTIVITIES</b>			
Proceeds from Long Term Borrowings	864,344.66		-
Repayment of Long Term Loans and advances	(10,326,034.43)		-
Net Cash flow from Financing Activities	(9,461,689.77)		-
Net Increase / (Decrease) in Cash and Cash Equivalents	2,073,380.00		(1,362,424.00)
Cash and Cash Equivalents at the beginning of the year	3,191,445.00		4,553,869.00
Cash and Cash Equivalents at the close of the year	<b>5,264,825.00</b>		<b>3,191,445.00</b>

We have verified the above Cash Flow Statement of DAULAT SECURITIES LIMITED derived from the audited financial statements for the year ended 31st March, 2016 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.

In terms of our report attached.  
 For **BAHETY & GOENKA**  
 Chartered Accountants  
 FRN No. 317111E  
 Saurav Khanna  
 Partner  
 Membership No. 305100  
 Place : Kolkata  
 Dated : 27<sup>th</sup> May , 2016

For and on behalf of Board  
 Jitendra Kochar  
 Managing Director  
 DIN No. : 00556392  
 Ajit Kochar  
 Director  
 DIN No.: 00933365

### Route Map to AGM Venue



# **BOOK POST**

If Undelivered Please Return to:

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86 CANNING STREET  
KOLKATA - 700001**