

24th
ANNUAL
REPORT

2016 – 2017

DAULAT SECURITIES LIMITED

DAULAT SECURITIES LIMITED

CIN: L67120WB1992PLC056831

Directors

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

Registered Office

86 Canning Street, Kolkata – 700 001

Phone : +91 33 4600- 4175 , email : daulat000@yahoo.com

GST No. : 19AABCD1794Q1ZZ

Administrative OfficePS Srijan Corporate Park , Unit-V, 18th Floor

GP-2, Sector- V, Salt Lake , Kolkata – 700 091

Auditors

M/s. Bahety & Goenka

Chartered Accountants , Registration Number: 317111E

310 Manglam – A , 24 Hemant Basu Sarani , Kolkata – 700 001

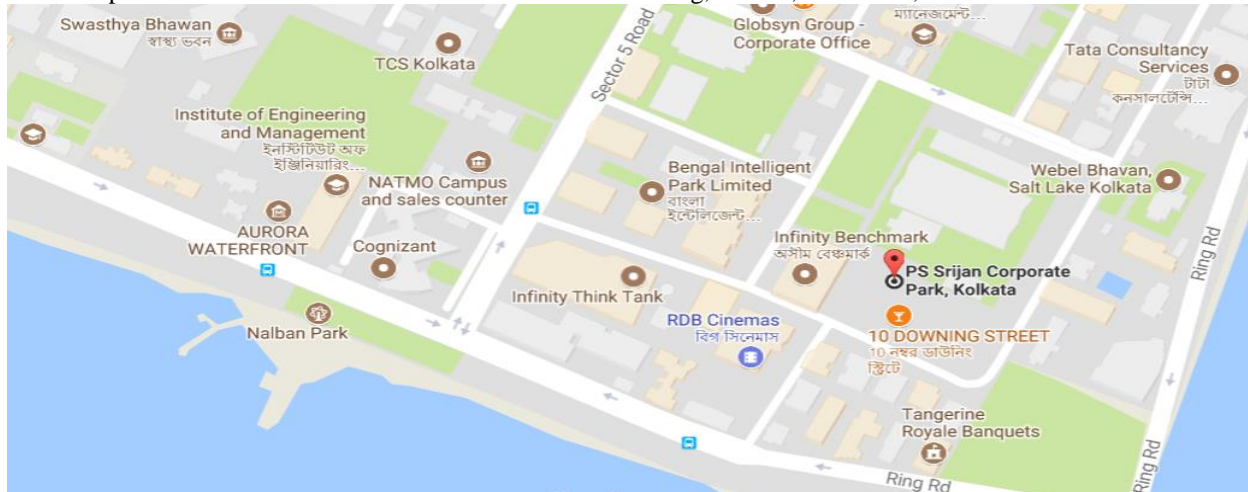
Phone : + 91 33 2243 2371 email : bahetygoenka@gmail.com**Registrar & Transfer Agent**

Maheshwari Datamatics Pvt. Ltd.

23, R N Mukherjee Road 5th Floor , Kolkata -700 001Phone : 033-2243-5809/5029 e-mail : mdpl@yahoo.com**Contents**

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Route Map to the AGM Venue : Land Mark : Near SDF Crossing, Sec- V, Salt Lake , Kolkata - 700091



BOARD'S REPORT TO THE SHAREHOLDERS

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 31st March 2017.

FINANCIAL RESULTS FOR THE YEAR IS AS UNDER:

	31.03.2017	31.03.2016
. Profit before tax	45,71,706	30,09,825
Tax Expense:		
(1) Current tax	8,00,000	4,15,000
(2) Deferred tax	20,799	11,942
(3) Earlier Years	15,919	13,631
Profit for the period	38,08,424	26,20,398
Earning per equity share:		
(1) Basic	0.76	0.52
(2) Diluted	0.76	0.52

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 in page number 12 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 Board of Directors do not propose any amount to be transferred to reserve.

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 upto date Listing Fees to BSE Ltd. and CSE Ltd. where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

85.31% of the company's paid up equity share Capital is in dematerialized form as on 31st March, 2017 and balance 14.69% 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

There is no change in list of Directors and Key Management Personnel

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 required 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 evaluation of its own performance, the directors individually as well as evaluation of working 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 31st March, 2017, 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 31st March, 2017 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 31st March 2017 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. **FOREIGN 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 Companies Act, 2013 (the Act) was notified effective April 1,2014, Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors M\ S Bahety & Goenka, Chartered Accountants (Firm registration number : 317111E) have served the company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 24th AGM

The Audit Committee of the company has proposed and on June 26, 2017, the Board has recommended the appointment of T C MAHAWAR & CO. Chartered Accountants (Firm registration number 322294E) as the Statutory Auditors of the Company. T C MAHAWAR & CO. will hold office for a period of five consecutive year from the conclusion of the 24th Annual General Meeting of the Company till the conclusion of the 29th Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018. which include the audit of the quarterly financial statements for the year.

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/- (Last 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 & Depository and Shareholders/ Investors for their valuable contribution towards the progress of the Company.

Registered Office

86, Canning Street , Kolkata - 700001

Dated: 26-07-2017

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 31.03.2017**

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-700 001
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAHESHWARI DATAMATICS PVT. LTD. 23, R N Muhkerjee Road 5 th Floor , KOLKATA-700 001 Phone : 033-22435809/5029 e-mail : mdpl@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	SHARE BROKING AND DEPOSITORY SERVICES	6612	100

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	1100	0	1100	0.02	4373	0	4373	0.09	0.07
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1620681	740519	2361200	47.22	1626681	734519	2361200	47.22	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1620681	740519	2361200	47.22	1626681	734519	2361200	47.22	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4259181	740819	5000000	100	4265481	734619	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 share holding 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	35000	0.70	0	35000	0.70	0	0

C) Change in Promoters Shareholding :

SN	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	22638800	52.78	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.):				
3	At the end of the year	22638800	52.78	2638800	52.78

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and 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.	MR.TARUN BAID	29500	0.59	29500	0.59
2.	ANAND POTATO COLD STORAGE PVT LTD	46840	0.94	46840	0.94
3.	MR.ABHISHEK AGARWAL	33605	0.67	33605	0.67
4.	MR.ABHIJEET AGARWAL	35000	0.70	35000	0.70
5.	KV TRADERS PVT LTD.	36000	0.72	36000	0.72
6.	MS.PURVI SHAH	41500	0.83	41500	0.83
7.	MADHU TRADE& INVESMENT CO PVT LTD.	61800	1.23	61800	1.23
8.	MR.VANI CHAND GHELANI	118000	2.36	118000	2.36
9.	ASHA PROMOTERS LTD.	203800	4.076	203800	4.076
10.	ADITI INDUSTRIES LTD.	324417	6.488	324417	6.488

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.	JITENDRA KOCHAR	404000	8.08	404000	8.08
2.	AJIT KOCHAR	399900	8.00	399900	8.00
3.	VASUDHA CHHAJER	14200	0.28	14200	0.28
4.	MADHU SUDAN DAGA	100	0.002	100	0.002
5.	DR P R KAMDAR	2500	0.05	2500	0.05
6.	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
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	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	TotalAmt.
		JITENDRA KOCHAR	
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					
	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				
	(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	NIL	NIL	NIL	NIL
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)
A. COMPANY					
NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
NIL					
Penalty					
Punishment					
Compounding					

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

M/S Daulat Securities Limited

Regd. office: 86, Canning Street, 3rd Floor Kolkata - 700 001.

Corp Office: PS Srijan Corporate Park, Unit-VI, 18th Floor, GP-2 Sector V, Salt lake, Kolkata-700 091

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s 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 the M/s 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 2017 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 Daulat Securities Ltd ("the Company") for the financial year ended on 31st March, 2017 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 Investments, Overseas Direct Investments and External Commercial Borrowing
- (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, 2015
 - (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

However following are not applicable to the Company during the reporting period:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (f) 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 applicable).
- (ii) The Listing Obligations and Disclosures Regulation entered into by the Company with Bombay Stock Exchange and Calcutta Stock Exchange Association Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following observations:

1. As per Section 203 of 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. Regulation 6 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 also require Mandatory appointment of a qualified Company Secretary as a Compliance Officer. Daulat Securities Limited has not appointed a Company Secretary in whole time employment yet.

2. The website of the Company is not found to be updated as per SEBI (LODR) norms. As per the information provided by the company, its officers and its authorized representatives updation of the site is under process.

I further report that based on the information provided by the company, its officers and its authorized 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 to the extent they are applicable.

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.

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 there are no 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).

Place : Howrah

Date : 13th July, 2017

CS Alpana Agarwal
ACS No. 36445 Cp No. 13504

"ANNEXURE – A" to the Secretarial Audit Report

To,
The Members,
M/S DAULAT SECURITIES LIMITED

Regd. office: 86, Canning Street, 3rd Floor Kolkata - 700 001.

Corp Office: PS Srijan Corporate Park, Unit-VI, 18th Floor, GP-2 Sector V, Salt lake , Kolkata-700 091

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 : Howrah

Date : 13th July, 2017

CS Alpana Agarwal

ACS No. 36445

C P No.: 13504

Management Discussion and Analysis Report

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 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- 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 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

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.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Daulat Securities Limited

We have reviewed the relevant records of the company for the year ended on 31st March, 2017, relating to compliance of conditions of Corporate Governance, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliances of conditions of Corporate Governance is 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 : 26-07-2017

For **Bahety & Goenka**
Chartered Accountants
FRN: 317111E
R. K. Bahety
Partner
Membership No.: 053255

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, 2017 :

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

Date: 26-07-2017

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 (No.)	
		Directorships	Board Committee
Mr. Madhusudan Daga	Independent and Non Executive Director	---	---
Mr. Jaideep Jiloka	Independent and Non Executive Director	---	---
Dr. P. R. Kamdar	Independent and Non Executive Director	---	---
Mr. Jitendra Kochar	Managing Director	---	---
Mr. Ajit Kochar	Whole Time Director	---	---
Mrs. Vasudha Chhajjer	Director	---	---

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 limited companies. The Company is in compliance with the composition of Board of Directors in terms of the Listing Regulations

Five Meetings of the Board of Directors were held during the year ended 31st March, 2017

Dates of Board Meeting				
11 th May 2016	27 th May 2016	12 th August 2016	11 th Nov, 2016	14 th Feb, 2017

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 27 th September 2016	No. Of Extra Ordinary General Meetings Attended (NIL Extra Ordinary General Meeting held)
Mr. Madhusudan Daga	4	Yes	---
Mr. Ajit Kochar	5	Yes	---
Mr. Jitendra Kochar	5	Yes	---
Mr. Jaideep Jiloka	5	Yes	---
Dr. P. R. Kamdar	4	No	---
Mrs. Vasudha Chhajer	5	Yes	---

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 mandatorily 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. Madhusudan Daga Chairman Independent Director , Jaideep Jiloka Independent Director and Mrs. Vasudha Chhajer, Executive Director

Meetings and Attendance during the year ended 31st March 2017.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga (Independent) Chairman	4	4
Mr. Jaideep Jiloka (Independent)	4	4
Mrs. Vasudha Chhajer	4	4

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 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 31st March 2017.

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) 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. Madhusudan Daga
Members:	Mrs. Vasudha Chhajer Mr. Jaideep Jiloka
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

Nil complaints received during the year ended 31st March 2017. There were no pending transfers as on 31st March 2017

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 (21 st)	27 th September, 2014	Kolkata	11.00 A.M.
AGM (22 nd)	29 th September, 2015	Kolkata	11.00 A.M.
AGM (23 rd)	27 th September, 2016	Kolkata	11.00 A.M.

Special Resolutions passed in previous three Annual General Meetings :-

Shareholders' Meetings	Special Business requiring Special Resolution
21 st AGM 27 September , 2014	Special Resolution for Alteration in the Object Clause of Memorandum of Association of the Company
22 nd 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.
23 rd AGM 27 September , 2016	NIL

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: -

- Mrs. Vasudha Chhajer aged about 30 years is a Bsc, Msc by profession. having rich experience in the field of Tax, Accounts & Company Law matter
- Shri Ajit Kochar aged about 52 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

- 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.
- 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

- Financial reporting for the quarter ending
 - June 30, 2017 July, 2017
 - September 30, 2017 October , 2017
 - December 31, 2017 January, 2018
 - March 31, 2018 May, 2018
- Registered Office: 86, Canning Street , Kolkata – 700 001.
- Listing of Equity Shares on Stock Exchanges
 - The Stock Exchange Mumbai , 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 Bombay Stock Exchange, Mumbai and The Calcutta Stock Exchange Ltd. Listing Fee for the Year 2017-18 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 2016-17**

Market Price Data (Monthly High and Low in 2016-17)						
Month	Bombay Stock Exchange			Calcutta Stock Exchange		
	High	Low	No of shares traded	High	Low	No of shares traded
Apr-16	NIL	NIL	NIL	NIL	NIL	NIL
May-16	9.41	9.41	1	NIL	NIL	NIL
Jun-16	9.81	9.35	11892	NIL	NIL	NIL
July-16	10.00	8.14	7137	NIL	NIL	NIL
Aug-16	7.74	6.65	480	NIL	NIL	NIL
Sep-16	6.98	6.65	900	NIL	NIL	NIL
Oct-16	6.62	6.32	607	NIL	NIL	NIL
Nov-16	NIL	NIL	NIL	NIL	NIL	NIL
Dec-16	NIL	NIL	NIL	NIL	NIL	NIL
Jan-17	6.62	6.62	10	NIL	NIL	NIL
Feb-17	6.95	5.99	366	NIL	NIL	NIL
Mar-17	7.50	6.67	1671	NIL	NIL	NIL

Registrar & Share Transfer Agents: M/s. Maheshwari Datamatics Pvt.Ltd., 23 R.N.Mukherjee Road, 5th Floor, Kolkata - 700 001.

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, 2017

Shares held	No of Equity Shareholders	% of Shareholders	Total No Shares Held	% of Shareholding
1-500	1843	82.1301	347113	6.9423
501-1000	168	7.4866	131372	2.6274
1001-2000	68	3.0303	103995	2.0799
2001-3000	61	2.7184	154551	3.0910
3001-4000	9	0.4011	31175	0.6235
4001-5000	22	0.9804	107690	2.1538
5001-10000	21	0.9358	173136	3.4627
10000 and above	52	2.3173	3950968	79.0194
Total	2244	100.0000	5000000	100.0000

Categories of Shareholding (as on 31st March, 2017)

Sr. No.	Category of Holders	No. of Shares	% of Equity
1.	Promoters' Holding	2638800	52.7760
	Sub-Total	2638800	52.7760
2.	Mutual Funds / UTI	--	--
3.	Banks / Financial Institutions / Insurance Companies (Central / State Govt. Institutions / Non Govt. Institutions)	--	--
4.	FII's / GDR	--	--
	Sub-Total	--	--
5.	Others	--	--
	Private Corporate Bodies	857980	17.1596
	Indian Public	1498847	29.9769
	NRIs / OCBs / Foreign Company	--	--
	Clearing Member	4373	0.0875
	Sub Total	2361200	47.2240
	Total	5000000	100.0000

Dematerialization of Shares and liquidity: Over 85.31 % of Equity Shares have been dematerialized up to 31st March 2017.

Investor Correspondence

Mr. S.P.Lunia , C/o Daulat Securities Ltd , 86, Canning Street , Kolkata-700 001 , Phone. +91 33 4600-4175

GENERAL SHAREHOLDER INFORMATION – Annual General Meeting

Date and Time:

Thursday , the 21st September 2017 11.00 A.M.´

Venue:

PS Srijan Corporate Park Unit V 18th Floor GP 2 Salt Lake , Kolkata-700 091

Book Closure Dates:

15-09-2017 to 21-09-2017 (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: 26-07-2017

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 **31st March, 2017**, 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 **31st March, 2017**;
- 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 31st March, 2017 and taken on record by the Board of directors, none of the Directors is disqualified as on 31st March, 2017 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.
- iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period 8th November,2016 to 30th December,2016 and these are in accordance with the books of accounts maintained by the company.

Place: Kolkata
Date : 30-5-2017

For **BAHETY & GOENKA**
Chartered Accountants
FRN: 317111E
R.K. Bahety
Partner
MN: 053255

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 31st March 2017. We report that:

i) In Respect of Fixed Assets:

- (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, except for a Leasehold Property located at Chennai which is yet to be registered 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 & unsecured to parties covered by clause (76) of Section 2 of Companies Act 2013.

According to the information & 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 & 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 day of March, 2017 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	Rs. 61,162/-	2004-05
2	Income Tax Dept.	O/s demand raised by AO on 31/12/2009	Rs. 14,221/-	2006-07
3	Income Tax Dept.	O/s demand raised by AO on 28/01/2011	Rs.9,822/-	2009-10
4	Income Tax Dept.	O/s demand raised by CPC on 04/07/2013	Rs. 2,569/-	2011-12
5	Income Tax Dept.	O/s demand raised by AO on 26/03/2015	Rs.919,180/-	2012-13
6	Income Tax Dept.	TDS Default	Rs. 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 fresh loan from financial institutions or Banks during current year. It availed loan in preceding financial year.

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 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.

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, 2017 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 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, 2017, 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.

Place: Kolkata
Date : 30-5-2017

For **BAHETY & GOENKA**
Chartered Accountants
FRN: 317111E
R.K. Bahety
Partner
MN: 053255

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31/03/2017	As at 31/03/2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5,00,00,000	5,00,00,000
(b) Reserves and Surplus	2	7,09,59,411	6,71,50,987
(2) Share application money pending allotment		NIL	NIL
(3) Non-Current Liabilities			
(a) Long Term Borrowings	3	6,37,785	8,64,345
(b) Deferred tax liabilities (Net)	4	22,153	42,952
(c) Other Long term liabilities	5	65,000	65,000
(d) Long term Provisions	6	3,34,788	2,74,283
(4) Current Liabilities			
(a) Short-term borrowings	7	19,53,224	-
(b) Trade payables		7,20,386	1,56,74,424
(c) Other current liabilities	8	9,00,218	7,82,096
(d) Short-term provisions	9	5,54,767	1,36,339
TOTAL		12,61,47,732	13,49,90,426
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	67,45,225	70,38,763
(b) Non-current investments	11	3,73,58,602	3,71,45,895
(c) Long term loans and advances	12	1,60,20,820	2,14,96,555
(2) Current assets			
(a) Inventories	13	5,06,06,947	4,53,44,294
(b) Trade receivables	14	8,98,325	9,05,472
(c) Cash and cash equivalents	15	35,14,275	52,64,825
(d) Short-term loans and advances	16	1,01,24,315	1,75,00,000
(e) Other current assets	17	8,79,223	2,94,622
TOTAL		12,61,47,732	13,49,90,426
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: 317111E

R. K. Bahety

Partner

Membership No.-053255

Place: Kolkata

Date:30-05-2017

Jitendra Kochar

Managing Director

DIN:00556392

Ajit Kochar

Director

DIN:00933365

Vasudha Chhajjar

Director

DIN:05102531

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	For year ended 31/03/2017	For year ended 31/03/2016
III. INCOME			
I. Revenue from operations	18	33,24,659	13,67,909
II. Other Income	19	51,98,818	55,66,429
III. Total Revenue (I +II)		85,23,477	69,34,338
IV. EXPENDITURE:			
Employee Benefit Expense	20	17,09,470	18,96,406
Administration & Other Expenses	21	17,11,456	14,50,410
Depreciation and Amortization Expense	10	2,93,538	1,91,648
Other Expenses	22	2,37,307	3,86,049
IV. Total Expenses		39,51,771	39,24,513
V. Profit before tax (III - IV)		45,71,706	30,09,825
VI. Tax Expenses:			
(1) Current tax		8,00,000	4,15,000
(2) Earlier Years		15,919	13,631
(3) Deferred Tax		20,799	11,942
VII. Profit for the period	V-VI	38,08,424	26,20,398

VIII. Earning per equity share:			
(1) Basic		0.76	0.52
(2) Diluted		0.76	0.52
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: 317111E

R. K. Bahety

Partner

Membership No.-053255

Place: Kolkata

Date:30-05-2017

Jitendra Kochar

Managing Director

DIN:00556392

Ajit Kochar

Director

DIN:00933365

Vasudha Chhajer

Director

DIN:05102531

Note :

		As at 31/03/2017	As at 31/03/2016
1	Share Capital	Rs.	Rs.
	A Authorised Share Capital:		
	6000000 number of Equity shares of Rs.10 /- each	6,00,00,000	6,00,00,000
	B Issued, Subscribed and Fully Paid up Share Capital:		
	5000000 number of Equity shares of Rs.10/- each	5,00,00,000	5,00,00,000
	C Par Value per Share	10	10
	D Reconciliation of the no. of shares		
	Number of equity shares at the beginning of the year	50,00,000	50,00,000
	Add: Rights issue	-	-
	Bonus issue	-	-
Less: Buy back	-	-	
Number of equity shares at the end of the year	50,00,000	50,00,000	
E Number of shares held by share holders more 5% of total shares			
Name of the share holder	As at 31/03/2017	Percentage (%)	As at 31/03/2016
Ajit Kochar	3,99,900	8.00	3,99,900
Anil Kochar	5,29,200	10.58	5,29,200
Aditi Industries Ltd.	3,24,417	6.49	3,24,417
B. Daulat Ltd	2,97,000	5.94	2,97,000
Jitendra Kochar	3,84,000	7.68	3,84,000
Sohan Lal Kochar	3,42,100	6.84	3,42,100
2	Reserves and Surplus	As at 31/03/2017	As at 31/03/2016
a	General Reserve		
	Opening Balance	40,10,000	40,10,000
	Add: Transfer from Profit & Loss Account	-	-
	Closing balance	40,10,000	40,10,000
b	Surplus from Profit & Loss account		
	Opening balance	6,31,40,987	6,05,20,589
	Add: Current year surplus	38,08,424	26,20,398
	Less: Adjustment relating to fixed asset	-	-
	Closing balance	6,69,49,411	6,31,40,987
	TOTAL(a + b)	7,09,59,411	6,71,50,987
3	Long Term Borrowings	As at 31/03/2017	As at 31/03/2016
a	Secured Loan from HDFC Bank	6,37,785	8,64,345
		6,37,785	8,64,345
4	Deferred Tax Liabilities (Net)	As at 31/03/2017	As at 31/03/2016
a	Opening Balance B/f	42,952	54,894
	Less: Reversal of Deferred Tax Liability	20,799	11,942
		22,153	42,952

5	<u>Other Long Term Liabilities</u>	As at 31/03/2017	As at 31/03/2016								
a	Rent deposit	65,000	65,000								
		65,000	65,000								
6	<u>Long term provisions</u>	As at 31/03/2017	As at 31/03/2016								
a	Provision for Employee Benefit	2,74,283	2,04,932								
	Add: Current year	60,505	69,351								
		3,34,788	2,74,283								
7	<u>Short term borrowings</u>	As at 31/03/2017	As at 31/03/2016								
a	Bank Overdraft (Overdrawn due to Reconciliation)	19,53,224	-								
		19,53,224	-								
8	<u>Other Current Liabilities</u>	As at 31/03/2017	As at 31/03/2016								
a.	Sundry Creditors for expenses	6,20,442	78,815								
b.	Margin received from clients	2,79,776	7,03,281								
		9,00,218	7,82,096								
9	<u>Short term provisions</u>	As at 31/03/2017	As at 31/03/2016								
a.	Provision for Income Tax (Net of Tax Deducted as Source)	5,54,767	1,36,339								
		5,54,767	1,36,339								
10. FIXED ASSETS – TANGIBLE ASSETS											
PARTICULARS		GROSS BLOCK			DEPRECIATION				NET BLOCK		
		Balance	Add.	Ded.	Balance	Balance	For	Ded.	Balance	Balance	Balance
		as on	during	during	as on	as on	the	during	as on	as on	as on
		01-04-16	the year	the year	31-3-17	1-4-16	year	the year	31-3-17	31-3-17	31-3-16
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Leasehold Properties	358540	-	-	358540	229036	3236	-	232272	126268	129504
	Office Premises & Build.	6475235	-	-	6475235	2200323	85500	-	2285823	4189412	4274912
	Fax Machines & EPBX	83269	-	-	83269	66771	1604	-	68375	14894	16498
	Office Equipments	114389	-	-	114389	85080	3168	-	88248	26141	29309
	Air Conditioners	470092	-	-	470092	431353	19370	-	450723	19369	38739
	Cellular Phones & Pagers	86316	-	-	86316	83846	620	-	84466	1850	2470
	Generator	45260	-	-	45260	43905	680	-	44585	675	1355
	Furniture & Fittings	370636	-	-	370636	361074	4781	-	365855	4781	9562
	Motor Cars	2520070	-	-	2520070	1234343	172231	-	1406574	1113496	1285727
	Computer & Peripherals	2734615	-	-	2734615	2734615	-	-	2734615	-	-
	Electricity Fittings	148400	-	-	148400	143703	2348	-	146051	2349	4697
	Land	1245990	-	-	1245990	-	-	-	-	1245990	1245990
	TOTAL	14652812	-	-	14652812	7614049	293538	-	7907587	6745225	7038763
	PREVIOUS YEAR	13342812	1310000	-	14652812	7422401	191648	-	7614049	7038763	5920411
11	<u>Non-current investments</u>	As at 31/03/2017	As at 31/03/2016								
a.	Trade Investments	3,33,07,733	3,31,99,525								
b.	Other Investments - Investment in Mutual funds	40,50,869	39,46,370								
		3,73,58,602	3,71,45,895								
12	<u>Long term loans and advances</u>	As at 31/03/2017	As at 31/03/2016								
	(Unsecured & considered good)										
a.	Advances	3,87,572	1,13,307								
b.	Income Tax deducted at source	6,02,248	6,02,248								
c.	Membership & deposits with Stock Exchanges	80,77,000	80,77,000								
d.	Other Deposits	69,54,000	1,27,04,000								
		1,60,20,820	2,14,96,555								
13	<u>Inventories</u>	As at 31/03/2017	As at 31/03/2016								
a	Stock in Trade (in respect of goods acquired for trading)	5,06,06,947	4,53,44,594								
		5,06,06,947	4,53,44,294								

14	<u>Trade receivables (Unsecured, considered good)</u>	As at 31/03/2017	As at 31/03/2016
a	Trade receivables outstanding for		
	- more than 6 months	1,86,045	8,54,803
	- others	7,12,280	50,669
		8,98,325	9,05,472
15	<u>Cash and Bank Balances</u>	As at 31/03/2017	As at 31/03/2016
a	Cash and cash equivalents		
i	Balance with banks		
	In current account	7,20,562	26,21,468
ii	Cash in hand	2,59,494	1,09,138
b	Other Bank Balances:		
	in Fixed Deposit	25,34,219	25,34,219
		35,14,275	52,64,825
16	<u>Short-term loans and advances (Unsecured and Considered Good)</u>	As at 31/03/2017	As at 31/03/2016
a.	Loans Given	1,01,24,315	1,75,00,000
		1,01,24,315	1,75,00,000
17	<u>Other Current Assets</u>	As at 31/03/2017	As at 31/03/2016
a.	Brokerage Receivable	7,004	2,23,228
b.	Dividend Receivable	44,916	15,520
c.	Bond Interest Receivable	5,59,080	-
d.	Interest Accrued	58,223	55,874
e.	Share Application Money	2,10,000	-
		8,79,223	2,94,622
18	<u>Revenue from Operations</u>	As at 31/03/2017	As at 31/03/2016
a.	Income From Operations	33,24,659	13,67,909
		33,24,659	13,67,909
19	<u>Other Income</u>	As at 31/03/2017	As at 31/03/2016
a	Interest Income	46,60,836	47,87,055
b	Dividend Income	4,57,018	6,71,809
c	Net gain / (loss) on sale of investment	12,196	4,410
d	Rent Received	68,768	1,03,155
		51,98,818	55,66,429
20	<u>Employee Benefit Expenses</u>	As at 31/03/2017	As at 31/03/2016
a	Salaries and Wages	15,58,500	17,42,500
b	Welfare expenses	90,465	84,555
c	Provision for Employee Benefit	60,505	69,351
		17,09,470	18,96,406
21	<u>Administrative and Other Expenses</u>	As at 31/03/2017	As at 31/03/2016
a	Advertisement	47,761	37,568
b.	Audit fees		
	a) Statutory & Tax Audit	27,600	22,900
	b) Certification Fees	6,900	5,750
c	Bank charges	11,221	12,376
d	Computer Consumables & Upkeep	34,985	66,770
e.	Electricity Charges	98,610	91,660
f.	Filing Fees	12,600	-
g.	Insurance	65,255	36,239
h.	Internal Audit Fess	24,000	19,000
i.	Listing Fees	2,49,038	2,36,518
j.	Membership & Subscription	9,956	2,140
k.	Motor Car Fuel & Maintenance	1,27,500	166,100

l.	Postage & Courier	48,452	81,644
m.	Printing & Stationery	83,382	85,594
n.	Professional Fees	35,500	10,000
o.	Rent & Taxes	6,01,958	334,300
p.	Registrar & Share Transfer Agent Fees	48,895	53,161
q.	Software Charges	12,650	12,595
r.	Telephone & fax	80,607	65,192
s.	Travelling & Conveyance	84,586	1,10,902
		17,11,456	14,50,410
22	Other Expenses	As at 31/03/2017	As at 31/03/2016
a	General Expenses	1,84,512	3,19,249
b	Books & Periodicals	17,515	22,035
c	Entertainment Expenses	35,280	44,765
		2,37,307	3,86,049

Details of Note No. 11

INVESTMENTS (At cost)	Face Value	As on 31.03.2017		As on 31.03.2016	
		Holdings	Book Value	Holdings	Book Value
TRADED	Rs.	Nos.	Rs.	Nos.	Rs.
A. QUOTED EQUITY SHARES FULLY PAID-UP					
3I Infotech	10	0	0	35900	497285
Aditya Birla Novo Ltd	10	25	34586	25	34586
Alok Industries Ltd	10	50000	673050	50000	673050
Ansal Housing	10	4000	131779	4000	131779
Benchmark Gold Bees	100	456	1307444	471	1350452
Charminar Beverages Ltd.	10	1000	4000	1000	4000
Colgate Pamolice	1	4000	4028600	4000	4028600
Corporation Bank	2	0	0	4000	371593
Dalmia Bharat sugar	10	1000	93450	0	0
Dalmia Cemeny Bharat	10	700	612175	0	0
Dena bank	10	1000	62000	1000	62000
Dish Tv Ltd	1	2500	232250	2500	232250
Electrosteel Castings Ltd	1	7001	172328	1800	27000
Electrosteel Steels Ltd	10	30000	190500	30000	190500
GTI Infra	10	15700	154830	15700	154830
GTL Ltd	10	2200	117340	4000	213460
Gujarat Sidhi Cement Ltd	10	37600	1568850	39600	1652250
HDIL	10	1200	153660	1200	153660
High Street Filatex Ltd.	10	500	20000	500	20000
Himachal Futuristic	1	16400	337560	16400	337560
HPCL	10	300	78800	0	0
HUDCO Tax Free Bond	1000	3000	3450000	3000	3450000
I G Petro Chemicals Ltd	10	4000	562240	0	0
IFCI Ltd	10	0	0	30500	1364900
Indo Solar	10	2000	38475	2000	38475
ITC	1	2700	590850	0	0
Jindal Saw	10	0	0	2000	185000
Jindal Stainless Ltd	10	500	8375	0	0
Jyoti Stru	10	0	0	4000	276400
Kerala Ayurvedic Ltd.	10	700	1925	700	1925
King fisher Airlines Ltd	10	9561	83988	9561	83988
Lifeline Medicare Ltd.	10	300	1200	300	1200
Manglam Cement limited	10	2553	678371	0	0
Maral Overseas Ltd	10	6171	233963	0	0
Midland Plastics Ltd.	10	3400	20570	3400	20570
MMTC	10	0	0	4540	432032

Moil	10	217	90229	217	90229
NHAI Tax Free Bond	1000	1795	2064250	1795	2064250
Oil India Limited	1	1067	250400	0	0
Patspin India Ltd	10	2000	12400	2000	12400
Phonex Lamp	10	0	0	2400	338476
Rain Investment Ltd	10	8300	365766	9000	396636
Ramkrishan forgings	10	1600	660364	0	0
Reliance Power Ltd	10	0	0	9950	747907
Restile Ceramic Ltd.	10	1660	8300	1660	8300
RPG Life Science	10	600	155400	0	0
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	1550	254174
Shree Precoated Steel	10	39953	153819	39953	153819
Sintex Industries	1	6700	524560	0	0
Spentax Industries	10	5000	100490	5000	100490
State Bank Of India	1	500	142400	500	142400
Tata Chemicals Ltd	10	2000	888000	2000	888000
The CSEA Ltd	100	250	2500000	250	2500000
TRF	10	594	171072	594	171072
Usha Martin Education & Soloution Ltd	1	0	0	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)			33156733		33199524
B. UNQUOTED EQUITY SHARES FULLY PAID-UP					
Teamskills Pvt Ltd	10	15100	151000		0
Sub Total (B)			151000		0
Investment In Mutual Fund(Unquoted)			4050869		3946370
(C)			4050869		3946370
TOTAL	A+B+C		37358602		37145894
Aggregate Market Value of Quoted Investments (Rs.)			35012863		11756572

NOTE: 23

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017 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 & 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:** Earning 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. a) Leasehold premises at Chennai was acquired by way of agreement on 10/05/1995 for Rs. 327,000/-plus incidental cost but the same is yet to be registered in the name of the Company.

b) Land at Karimpur (P.S. - Sonarpur) is not mutated at the office of BL&LRO.

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

IV. Fixed Deposit of Rs 25,00,000/- (Previous Year Rs25,00,000/-) 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 31st March 2017

Particulars	Quantity (Nos.)	Amount (Rs.)
Opening Stock	1294649 (956495)	45344294 (37500655)
Purchase	21579793 (9368910)	1107099278 (807214523)
Sales	20917654 (9030756)	1098735975 (770875188)
Closing Stock	1956788 (1294649)	50606947 (45344294)

(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.)
KEY MANAGEMENT PERSONNEL		
AJIT KOCHAR	8961518	8557817
JITENDRA KOCHAR	1768358	1407690
JAIDEEP JILOKA	13295881	11643223
OTHERS		
ANAMIKA KOCHAR	3670569	3307161
ADITI KOCHAR	2987964	1515744
ADITI INDUSTRIES LTD	4226154	4534195
AJIT KOCHAR HUF	3159012	2813584
ANIL KOCHAR HUF	2846125	1366750
ARYAN KOCHAR	8126151	6008067
B. DAULAT LTD	33892115	27523679
VAIBHAV KOCHAR	3756140	3937999

JITENDRA KOCHAR HUF	726795	728260
KUSUM KOCHAR	759410	663443
K.V.TRADERS PVT LTD	7012604	8658972
KANCHAN DEVI KOCHAR	7805298	2786274
NARENDRA KOCHAR	918800	2189944
NIPUN KOCHAR	-	257868
NALINI KOCHAR	2546840	-
SUNITA KOCHAR	1722669	1394126
SOHAN LAL KOCHAR	8272149	2433973
VASUDHA KOCHAR	4676594	1692188
YASHOVARDHAN KOCHAR	2217077	2330743
NARENDRA KOCHAR HUF	-	34761
VIDITA KOCHAR	-	161742
VATSALA KOCHAR	7091370	3527890

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 2017 are Nil.

IX. The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as provided in the Table below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	380,000.00	50,937.00	430,937.00
(+) Permitted receipts	-	3,182.00	3,182.00
(-) Permitted payments	-	117,170.00	117,170.00
(+) Amount withdrawn from Banks	-	300,000.00	300,000.00
(-) Amount deposited in Banks	380,000.00	-	380,000.00
Closing cash in hand as on 30.12.2016	-	236,949.00	236,949.00

Signature to Notes 1-23

In terms of our report attached.

For **BAHETY & GOENKA**

Chartered Accountants

FRN: 317111E

R. K. Bahety

Partner

Membership No.-053255

Place: Kolkata

Date:30-05-2017

For and on behalf of Board

Jitendra Kochar

Managing Director

DIN:00556392

Ajit Kochar

Director

DIN:00933365

Vasudha Chhajer

Director

DIN:05102531

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Pursuant to Clause 32 of Listing Agreement with Stock Exchange

Particulars	For the Year Ended on 31.03.2017		For the Year Ended on 31.03.2016	
	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
A				
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extra Ordinary Items		45,71,706		30,09,825
Adjustment for :				
Depreciation	2,93,538		1,91,648	
Dividend Received	(4,57,018)		(6,71,809)	
Interest Received	(46,60,836)		(47,87,055)	
Profit on sale of Investment	(12,196)		(4,410)	
Provision for employee benefit	60,505	(47,76,007)	69,351	(52,02,275)
Operating Profit/Loss before Working Capital changes		(2,04,301)		(21,92,450)
Adjustment for Working Capital changes:				
Changes in Current Assets	(58,40,106)		(59,69,270)	
Changes in Current Liabilities	(1,48,35,916)		1,28,18,561	
(Increase) / Decrease in Net Current Assets		(2,06,76,022)		68,49,291
Less : Taxes Paid		(1,20,420)		(1,39,730)
Net Cash flow from Operating Activities		(2,10,00,742)		45,17,111

B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-		(13,10,000)
Purchase of Investments	(5,12,52,836)		(55,29,235)
Sale of Investments	5,10,52,323		86,76,992
Interest Received	44,15,603		45,08,393
Dividend Received	4,57,018	-	6,71,809
Net Cash flow from Investing Activities	46,72,108		70,17,958
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	-		8,64,345
Repayment of Long Term Borrowings	(2,26,560)		-
Proceeds from Loans and Advances	1,28,51,420		-
Repayment of Long Term Loans and advances	-		(1,03,26,034)
Net Cash flow from Financing Activities	1,26,24,860		(94,61,690)
Net Increase / (Decrease) in Cash and Cash Equivalents	(37,03,774)		20,73,380
Cash and Cash Equivalents at the beginning of the year	52,64,825		31,91,445
Cash and Cash Equivalents at the close of the year	15,61,051		52,64,825

We have verified the above Cash Flow Statement of DAULAT SECURITIES LIMITED derived from the audited financial statements for the year ended 31st March, 2017 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: 317111E

R. K. Bahety

Partner

Membership No.-053255

Place: Kolkata

Date:30-05-2017

For and on behalf of Board

Jitendra Kochar

Managing Director

DIN:00556392

Ajit Kochar

Director

DIN:00933365

Vasudha Chhajjer

Director

DIN:05102531

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