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7th ANNUAL REPORT

1999-2000

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DSL

DAULAT SECURITIES LIMITED

Certified True Copy

For Ajit Kochar

DAULAT SECURITIES LIMITED

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Directors

Sri Sohanlal Kochar (Chairman)
Sri Jitendra Kochar (Managing Director)
Sri Madhusudan Daga
Sri Ajit Kochar

Auditors

M/s. Bahety & Goenka

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Bankers

Corporation Bank
Canara Bank
HDFC Bank Ltd.
Indus Ind Bank Ltd.
United Bank of India
The Vysya Bank Ltd.

Registered Office

86, Canning Street
Calcutta - 700 001

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NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of **DAULAT SECURITIES LIMITED** will be held at the Corporate Office of the Company at 5, Ashutosh Chowdhury Avenue, Calcutta - 700 019 on Friday 22nd day of September, 2000 at 11.00 A.M. to transact the following :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2000 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr Madhusudan Daga who retires by rotation and being eligible, offers himself for reappointment.
3. To approve the interim dividend paid for the year ended 1999-2000 as final dividend.
4. To appoint Auditors to hold office, from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

ITEM NO. 1

To consider and if thought fit, to pass with or without modification the following as Ordinary Resolution :-

"**RESOLVED THAT** subject to the provisions of Section 269, 309, 310 & 311 and such other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords it approval to the modification in the terms relating to remuneration payable to Mr Jitendra Kochar with effect from 1st October, 2000 as the Managing Director of the company, as set out in the agreement to be entered between the Company and Mr. Jitendra Kochar, a draft of which is placed before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved ".

ITEM NO. 2

"**RESOLVED THAT** subject to the provisions of Section 269, 309, 310 & 311 and such other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords it approval to appoint Mr Ajit Kochar as a Whole time Director of the Company for a period of five years with effect from 1st October, 2000 and the terms relating to remuneration payable to Mr Ajit Kochar as set out in the agreement to be entered between the Company and Mr. Ajit Kochar, a draft of which is placed before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved ".

ITEM NO. 3

As Special Resolution :

"**RESOLVED THAT** subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter), Securities Contracts (Regulation) Act 1956 and the Rules framed thereunder, Guidelines issued by SEBI from time to time, listing Agreements and all other applicable laws, rules regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as "the Board"), be and hereby authorised to agree to if acceptable to the Board and the consent of the Company be and is hereby accorded to the Board to get delisted the Equity Shares of the Company from The Gauhati Stock Exchange Ltd."

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ITEM NO. 4

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of association of the Company be and are hereby altered by incorporating the following heading and a new article 15A with a marginal note thereto after Article 15 :

"DEMATERIALIASATION OF SECURITIES"

15A (1) For the purpose of this article :

Definitions

(i) "Beneficial Owner" means the beneficial owner as defined in clause (a) of subsection (1) of section 2 of the Depositories Act, 1956;

(ii) "Depositories Act" means a Depository under the Depositories Act, 1996 and includes any statutory modification (s) or re-enactment thereof for the time being in force;

(iii) 'Depository' means a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act; and

(iv) 'Securities' means such securities as may be specified by the Securities and Exchange Board of India from time to time;

Dematerialization & Rematerialization

(2) Notwithstanding anything contained in this Articles, the company shall be entitled to dematerialise or rematerialize its securities and to offer securities in dematerialized form pursuant to the Depositories Act, 1996.

Transfer of Dematerialized Securities

(3) Nothing contained in Section 108 of the Companies Act, 1956, these articles shall apply to any transfer of securities effected by a transferor and a transferee both of whom are entered as beneficial owners in the records of the depository and the provisions of the Depositories Act, 1996, shall apply to such transfers.

Registered Office
86, Canning Street
Calcutta - 700 001
Dated : 28th June, 2000

By Order of the Board
JITENDRA KOCHAR
(Managing Director)

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NOTES :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. The Proxy in order to be *effective must be deposited with the Company not less than 48 hours before the meeting.*
2. The Register of the Members and Share Transfer Book of the Company will remain closed from 15th day of September to 22nd day of September, 2000 (both days inclusive).
3. Members are requested to notify any change in their address immediately to the Company's Share Department at the Registered Office at 86, Canning Street, Calcutta - 700 001
4. Members are requested to bring their copies of the Reports and Accounts to the Meeting.
5. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 :-

ITEM NO. 1

Mr. Jitendra Kochar, was appointed as Managing Director for a period of five years commencing from 27th April 1998 by the shareholders at the Fifth Annual General Meeting held on 24th September, 1998. The Board of Directors subject to requisite approval of the members of the Company approved modification of the terms relating to remuneration, payable to Mr. Jitendra Kochar with effect from 1st October, 2000 on terms and condition embodied in the proposed Agreement to be entered into between the company and Mr Jitendra Kochar.

Under the said Agreement Mr. Jitendra Kochar will be entitled to the following by way of Remuneration.

1. **Salary**

   Salary @ Rs. 50,000/- per month

2. **Perquisites**

   Perquisites are allowed in addition to salary. For this purpose perquisites are classified into 3 categories Part-A, Part-B, Part-C

Part - A

(a) House Rent Allowance: Not exceeding 30% of the salary

(b) Medical Reimbursement : Expenses incurred for self, wife and dependent children subject to a ceiling of one month's salary per annum.

(c) Leave/Leave Travel Assistance : One Month's leave on full pay for every 11 months of service and Leave Travel Assistance for self, wife and dependent children once a year towards travelling cost only from and to any place in India.

(d) Club Fees : Fees of Club subject to maximum of two clubs.

(e) Personal Accident Insurance : Premium not to exceed Rs. 4000/- per annum.

Part - B

Provident Fund, Superannuation and Gratuity : Provident Fund, Superannuation and Gratuity as per rules of the Company subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.

Part - C

(a) Car : Free use of Company's car with driver for Company's business.

(b) Telephone : Free Telephone facility at residence subject to the condition that personal long distance call shall be billed by the Company.

(c) Entertainment : Reimbursement of actual expenses incurred by him in connection with the business of the Company.

The resolution set out in item 1 of the special business of the Convening notice have to be considered accordingly and the Board recommends the same.

Sri S. L. Kochar, Sri Jitendra Kochar and Sri Ajit Kochar being related to each other are deemed to be interested in the resolution mentioned in item 1 of the special business.

The above may be treated as an abstract u/s. 302 of the Companies Act 1956.

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ITEM NO. 2

Mr. Ajit Kochar, who is the Director of the Company since 20th December, 1993 has vast experience in the field of Capital Market. The Board of Directors subject to the requisite approval of the members of the Company approve to appoint him as Whole time Director and to pay him remuneration, with effect from 1st October, 2000 on terms and condition embodied in the proposed Agreement to be entered into between the Company and Mr Ajit Kochar.

Under the said Agreement Mr. Ajit Kochar will be entitled to the following by way of Remuneration.

1. **Salary**

   Salary @ Rs. 40,000/- per month

2. **Perquisites**

   Perquisites are allowed in addition to salary. For this purpose perquisites are classified into 3 categories Part-A, Part-B, Part-C

PART - A

(a) House Rent Allowance: Not exceeding 30% of the salary

(b) Medical Reimbursement : Expenses incurred for self, wife and dependent children subject to a ceiling of one month's salary per annum.

(c) Leave/Leave Travel Assistance : One Month's leave on full pay for every 11 months of service and Leave Travel Assistance for self, wife and dependent children once a year towards travelling cost only from and to any place in India.

(d) Club Fees : Fees of Club subject to maximum of two clubs.

(e) Personal Accident Insurance : Premium not to exceed Rs. 4000/- per annum.

Part - B

Provident Fund, Superannuation and Gratuity : Provident Fund, Superannuation and Gratuity as per rules of the Company subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.

Part - C

(a) Car : Free use of Company's car with driver for Company's business.

(b) Telephone : Free Telephone facility at residence subject to the condition that personal long distance call shall be billed by the Company.

(c) Entertainment : Reimbursement of actual expenses incurred by him in connection with the business of the Company.

The resolution set out in item 2 of the special business of the convening notice have to be considered accordingly and the Board recommends the same.

Sri S. L. Kochar, Sri Jitendra Kochar and Sri Ajit Kochar being related to each other are deemed to be interested in the resolution mentioned in item 2 of the special business.

The above may be treated as an abstract under Section 302 of the Companies Act, 1956.

A copy of the Agreement referred to in the Resolution will be available for inspection by the Members of the Company at its Registered Office between 11 A.M. to 1 P.M. on any working day except Saturday.

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ITEM NO. 3

The Equity Shares of the Company are presently listed on the following three Stock Exchanges in India :-

i) The Calcutta Stock Exchange Association Ltd. (CSE)

ii) The Stock Exchange, Mumbai (BSE)

iii) The Gauhati Stock Exchange Ltd. (GSE)

With extensive net working facilities of BSE & CSE, the members of the Company have access to online dealing in the Company's Equity Shares across the country. As a part of its cost reduction measure, the Company proposes to delist its Equity shares on GSE on appropriate time in future.

In line with SEBI regulations, member's approval is being sought by a Special Resolution for enabling voluntary delisting of its Equity Shares from GSE. The proposed delisting of the Company's Equity Shares from GSE as and when the same takes place will not adversely effect the investors. The delisting will take effects after all approvals, permissions and sanctions are received from appropriate authorities.

None of the Directors of the Company is any way concerned or interested in the aforesaid Resolution as set out in the Notice in item 3 of Special Business.

ITEM NO. 4

On the enactment of the Depositories Act, 1996 some provisions of the Comapnies Act, 1956 has been amended. The depository system of holding securities in an electronic form is a far safer and convenient method for holding and trading in the securities of the company.

SEBI though its circular dated 29.5.2000 has made it compulsory to dematerialise the securities of the company and therefore a new Article 15A is proposed to be inserted for this purpose by altering the Articles in the manner set out in the special resolution under item No. 4 of the Notice.

The Board of Directors of the Company recommends that the aforesaid special resolution be passed.

None of the directors is concerned or interested in the resolution.

A copy of the Memorandum and Articles of Association of the Company will be available for inspection by the members of the Company at its registered office of the Company.

Registered Office
86, Canning Street
Calcutta - 700 001
Dated : 28th June, 2000

By Order of the Board
JITENDRA KOCHAR
(Managing Director)

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