



**2009 - 2010**

**DSL**

DAULAT SECURITIES LIMITED

**DAULAT SECURITIES LIMITED**

**Directors**

Sri Sohan Lal Kochar	(Chairman)
Sri Jitendra Kochar	(Managing Director)
Sri Ajit Kochar	(Wholetime Director)
Sri Madhu Sudan Daga	(Director)
Sri Jaideep Jaloka	(Director)
Sri Prabin Kumar Baid	(Director)
Dr. Pradip Rasiklal Kamdar	(Director)

**Auditors**

M/s. Bahety & Goenka

**Bankers**

Corporation Bank  
HDFC Bank Ltd.  
United Bank of India  
ING Vysya Bank Ltd.

**Registered Office**

86 Canning Street  
Kolkata - 700001

**Corporate Office**

87A Sarat Bose Road  
Kolkata - 700026

## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of **DAULAT SECURITIES LTD** will be held on **15-Sep-2010** at the Corporate Office of the Company at **87A Sarat Bose Road, Kolkata – 700026** at 11.00 A.M. to transact the following business: -

### ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2010 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Prabin Kumar Baid who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr Jaideep Jaloka who retires by rotation and being eligible, offers himself for reappointment
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.

Registered Office  
86 Canning Street  
Kolkata – 700 001.  
Dated: 24<sup>th</sup> June 2010

By Order of the Board  
**JITENDRA KOCHAR**  
(Managing Director)

### Notes: -

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The Company should receive proxies not less than 48 hours before the meeting.
2. The Register of the Members and Share Transfer Books in respect of the Equity Shares of the Company will remain closed from 09 September 2010 to 15 September 2010 (both days inclusive).
3. Members are requested to notify the change, if any, in their address and bank mandate details immediately to the Company's Share Department at the Registered Office at 86, Canning Street, Kolkata – 700001, quoting their folio numbers.
4. Members are requested to bring their copies of the Reports and Accounts to the meeting.
5. Members desirous of getting any information about the accounts and operation of the company are requested to address their queries to the Director of the company well in advance so that the same are received at least ten days before the date of Meeting to enable the Management to keep the information readily available at the meeting.

Registered Office  
86 Canning Street  
Kolkata – 700 001.

By Order of the Board

Dated: 24<sup>th</sup> June, 2010

**JITENDRA KOCHAR**  
(Managing Director)

## **DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2010.

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

	Year ended <b><u>31.03.2010</u></b>	Year ended <b><u>31.03.2009</u></b>
Profit before taxation	7280133	2467789
Less Current tax Provision	950000	475000
Less Current FBT Provision	-	38200
Profit after tax	6330133	1954589
Less: Deferred Tax Liability	60800	62817
Add: Excess Provision for Income Tax for earlier year	120988	-
Less: Short Provision for Income Tax for earlier years	-	7843
Balance brought forward from previous years	32484472	30600543
	<hr/>	<hr/>
Balance carried to Balance Sheet	38874793	32484472

### **OPERATION**

#### **STOCK EXCHANGE OPERATION**

From the confidence shaking short fall and lows of previous year the stock market made a handsome recovery during the year. The operation of the company was satisfactory keeping in view the cutthroat competition and steep fall in rates of brokerage despite that your company has done reasonably well.

#### **DEPOSITORY OPERATION**

The depository operation of the company continues to run smoothly.

### **DIVIDEND**

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

### **DIRECTORS**

Mr. Prabin Kumar Baid retires by rotation and being eligible, offers himself for reappointment.

Mr Jaideep Jaloka retires by rotation and being eligible, offers himself for reappointment.

### **CORPORATE GOVERNANCE**

As per the amended listing agreement with stock exchanges, the company has complied with the requirement of corporate governance. A report on Corporate Governance is attached to this report as per statutory requirements.

**AUDITORS' REPORT**

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

**AUDITORS**

The Auditors M/s. Bahety & Goenka, Chartered Accountants retire and being eligible offer themselves for reappointment. Shareholders are requested to appoint the Auditors of the company and to fix their remuneration.

**PARTICULARS OF EMPLOYEES**

No employee was in receipt of remuneration aggregating to Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month.

**CONSERVATION OF ENERGY / TECHNOLOGY / ABSORPTION / RESEARCH AND DEVELOPMENT**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed and that there is no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the Profit of the Company for said period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2010 on a going concern basis.

**ACKNOWLEDGEMENT**

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

Registered Office  
86 Canning Street  
Kolkata – 700001

For and on behalf of the Board

Dated: 24<sup>th</sup> June 2010  
Place: Kolkata

SOHAN LAL KOCHAR  
Chairman

**BAHETY & GOENKA**  
**Chartered Accountants**

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

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

To the Members of Daulat Securities Ltd.

We have reviewed the relevant records of the company for the year ended on 31<sup>st</sup> March, 2010, relating to compliance of conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliances of conditions of Corporate Governance are the responsibility of Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we have to state that to the best of our knowledge the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned 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 or effectiveness with which the management has conducted the affairs of the Company.

For **BAHETY & GOENKA**  
Chartered Accountants

Date: 24<sup>th</sup> June 2010  
Place –Kolkata

**RAJENDRA BAHETY**  
Partner

## **CORPORATE GOVERNANCE**

### **PHILOSOPHY**

Your Company believes that Corporate Governance is a powerful medium to sub serves the long-term interests of all the stakeholders, including the enhancement of overall business valuation for the owners. Corporate Governance strengthens investors' trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits.

Your Company is committed to benchmarking itself with the best in all areas including Corporate Governance and has benchmarked its practices with the prevailing guidelines with transparency, full disclosure and independent monitoring.

### **BOARD OF DIRECTORS**

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

Directors	Category	Other Directorships / Board Committee (Numbers)	
		Directorships	Board Committee
Mr. Sohan Lal Kochar	Chairman and Director	1	---
Mr. Madhusudan Daga	Independent and Non Executive Director	1	---
Mr. Jaideep Jaloka	Do	1	---
Mr. Prabin Kr.Baid	Do	1	---
Dr. P.R.Kamdar	Do	---	---
Mr. Jitendra Kochar	Managing Director	---	---
Mr. Ajit Kochar	Whole time Director	2	---

Nine Meeting of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2010

12 <sup>th</sup> May 2009	30 <sup>th</sup> June, 2009	31 <sup>st</sup> July, 2009
1 <sup>st</sup> September, 2009	30 <sup>th</sup> October, 2009	15 <sup>th</sup> December, 2009
29 <sup>th</sup> January, 2010	15 <sup>th</sup> Feburary, 2010	25 <sup>th</sup> March 2010

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

Name of Director	No. of Board Meetings Attended	Attendance at the Last Annual General Meeting held on 15 <sup>th</sup> September 2009.	No. of Extra Ordinary General Meetings Attended (NIL Extra Ordinary General Meeting held)
Mr. Sohan Lal Kochar	7	Yes	---
Mr. Madhusudan Daga	6	No	---
Mr. Ajit Kochar	8	Yes	---
Mr. Jitendra Kochar	9	Yes	---
Mr. Jaideep Jaloka	6	Yes	---
Mr. Prabin Kumar Baid	8	Yes	---
Dr.P.R.Kamdar	6	Yes	---

**Non executive Director compensation and disclosure**

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

**Code of Conduct and Ethics for Directors and Senior Executive**

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

**AUDIT COMMITTEE**

**Broad Terms of Reference.**

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

**Composition, Name of Members and Chairman**

The Audit Committee consists of three non-executive and independent Directors viz. Mr. Madhusudan Daga (Chairman), and Mr.Jaideep Jaloka & Mr.Prabin Kumar Baid.



**Meetings and Attendance during the year ended 31<sup>st</sup> March 2010.**

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga	4	4
Mr. Jaideep Jaloka	4	4
Mr. Prabin Kr.Baid	4	4

**Remuneration Committee**

- To review assess and recommend the appointment of whole time Director.
- To periodically review the remuneration package of whole time Director and recommend suitable revision to the board.

**Composition**

The Remuneration committee comprises three independent non-executive Director.

1. Mr. Madhusudan Daga Chairman ,Independent Non-executive Member
2. Mr. Jaideep Jaloka - do -
3. Mr. Prabin Kumar Baid - do -

**Meetings and Attendance during the year ended 31<sup>st</sup> March 2010.**

Name of Director	No. of Meetings	
	Held	Attended
Mr. Madhusudan Daga	1	1
Mr. Jaideep Jaloka	1	1
Mr. Prabin Kr.Baid	1	1

**Remuneration to Director - Executive Director**

Jitendra Kochar

Managing Director

Remuneration paid – Rs.3,00,000/-

**SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

To approve inter-alia Transfer / Transmission of shares, Issue of duplicate share certificate and review the status of Investor's Grievance and redressal mechanism and recommend measures to improve the level of investor's service

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

No complaint received during the year ended 31<sup>st</sup> March 2010. There were no pending transfers as on 31<sup>st</sup> March 2010.

#### **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.

#### **F. GENERAL BODY MEETINGS**

##### **i) Details of Annual General Meetings (AGMs):**

AGMs	Date of AGMs	Location	Time
AGM (14 <sup>th</sup> )	12 <sup>th</sup> September, 2007	Kolkata	11.00 A.M.
AGM (15 <sup>th</sup> )	19 <sup>th</sup> September, 2008	Kolkata	11.00 A.M.
AGM (16 <sup>th</sup> )	15 <sup>th</sup> September, 2009	Kolkata	11.00 A.M.

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

iii) No special resolution was put through postal ballot during the year 2009-10 and presently there is no proposal for passing any resolution through Postal Ballot in the ensuing AGM.

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

- a) Shri Prabin Kumar Baid aged about 41 years is a Businessman having rich experience in the field of Stock Broking. He has been Director of the Company since 2003 and is also Director in Sonica Promoters & Fincon Pvt Limited
- b) Shri Jaideep Jaloka aged about 34 years is a Chartered Accountant having rich experience in the field of Finance and Accounts. He has been director of the company since 2003 and is also director in Khusboo Dealers Ltd.

#### **DISCLOSURES**

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