

**25th
ANNUAL
REPORT**

2017 – 2018

DAULAT SECURITIES LIMITED

DAULAT SECURITIES LIMITED**CIN: L67120WB1992PLC056831****Directors**

Mr. JitendraKochar	Managing Director
Mr. AjitKochar	Whole Time Director
Mr. Madhu Sudan Daga	Director
Mr. Jaideep Jiloka	Director
Dr. Pradip Rasiklal Kamdar	Director
Mrs. Vasudha Chhajer	Director

Registered Office

86 Canning Street, Kolkata – 700001

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 – 700091

Auditors

M/s. T.C.Mahawar& Co.

Chartered Accountants

RegistrationNumber: 322294E

Arihant Enclave Block – A2 Flat-203

493B/57A G T Road (S) Shibpur , Howrah-711102

M/s. P.D. Randar & Co.

Chartered Accountants

RegistrationNumber: 319295E

13, Ganesh Chandra Avenue, 2nd Floor

Kolkata- 700013

Bankers

Corporation Bank Ltd., Canning Street Branch, Kolkata – 700001

HDFC Bank Ltd., Sarat Bose Road Branch, Kolkata – 700020

Registrar & Transfer Agent

Maheshwari Datamatics Pvt. Ltd.

23, R N Mukherjee Road, 5thFloor , Kolkata -700001Phone : 033-22435809/5029 e-mail : mdpl@yahoo.com**Contents**

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TO THE SHAREHOLDERS

The Board of Directors has pleasure in submitting the Annual Report together with Audited Financial Statements for the year ended 31st March 2018

FINANCIAL RESULTS FOR THE YEAR IS AS UNDER:

	Year ended 31.03.2018	Year ended 31.03.2017
. Profit beforeTax	41,90,496	45,71,706
Tax Expense:		
(1) Current Tax	9,15,000	8,00,000
(2) Deferred Tax	(23,923)	(20,799)
(3) Earlier Years	1,91,173	(15,919)
Profit for the period	31,08,246	38,08,424
Earning per Equity Share:		
(1) Basic	0.62	0.76
(2) Diluted	0.62	0.76

Financial Performance

The net profit for the year Rs 31,08,246/- has been decreased by 18.38%. Income tax for the current year Rs 9,15,000 has been increased by 14.37%.

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), published in the Official Gazette notified Indian Accounting Standards (Ind AS) which are applicable to the company w.e.f April 01,2017 with the transition date April 01,2016. Accordingly, the Financial Statements have been prepared in compliance with Ind AS and the Comparative information of the previous years has been provided as per the prescribed requirements.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis as required by the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is incorporated herein by reference and forms an integral part of this report.

DIVIDEND

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

RESERVE

The board has not proposed any amount to be carried to reserves.

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:

A report of Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s T C Mahawar & Co Chartered Accountant confirming the compliance with the conditions of Corporate Governance in accordance with Listing Regulations are given separately in this Annual report

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to BSE and CSE where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

85.46% of the company's paid up equity share Capital is in dematerialized form as on 31st March, 2018 and balance 14.54% is in physical form. The Company's Registrars are M/s Maheshwari Datamatics Private Ltd. having their office at 23, R N Mukherjee Road, 5th Floor Kolkata-700001.

Your Directors feel that it is their responsibility, for good governance and better service to the shareholders, to disseminate relevant information that relates to shareholders' interest. Accordingly, the members are intimated that SEBI vide its notification no. SEBI/LAD/-NRO/GN/2018/24 dated 08/06/2018 has mandated that no transfer of shares shall be given effect by any limited company with effect from 05/12/2018, if the shares are held in physical mode. However, physical shares will be allowed for transmission and transposition of name, as the case may be. The shareholders are, therefore, requested to take necessary steps to convert their shareholding in the company from the physical mode to electronic mode through dematerialisation.

Number of Board Meetings

The Board of Director duly met 7(Seven) times during the financial year from 1st April 2017 to 31st March 2018. The dates on which the meetings were held are as follows.

11th May 2017, 30th May 2017, 26th July 2017, 11th August 2017, 13th November 2017, 12th February 2018 and 25th March 2018

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.- 00933365) and Mrs. Vasudha Chhajjer (DIN.- 05102531) retire by rotation and being eligible, offers themselves for reappointment.

The present term of appointment of Mr. Jitendra Kochar as the Managing Director is valid upto 27th April, 2018. The Board has, subject to the approval of the Members in the forthcoming AGM, approved the re-appointment of Mr. Jitendra Kochar as Managing Director for another period of three years, w.e.f. 28th April, 2018.

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 of as provided in sub-section 6 of Section 149 of the Companies Act 2013. they hold the office for a term of five years and are eligible for re-appointment for next five years on passing of special resolution by the company.

c) Formal Annual Evaluation

Pursuant to the provisions of Company's Act 2013, 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 directors confirm that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with the proper explanation relating to 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 the end of the financial year 31st March, 2018 and of the Profit of the Company for that 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 2018 on a going concern basis.
- v) The Board has 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 & operating effectively.

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

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

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

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

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

AUDIT OBSERVATIONS:

Auditors' observations are suitably explained in notes to the Accounts and are self explanatory

AUDITORS:**Statutory Auditors**

M/s T C MAHAWAR & CO. Chartered Accountants (Firm registration number 322294E) resigned as statutory auditor of the company from 31-07-2018. A letter has been received from the auditor expressing their unwillingness to continue as statutory auditor of the company. In their place, M/s P.D.Randar & Co., Chartered Accountants, (Firm registration number 319295E) have approached the board of directors expressing their consent to act as a statutory auditor of the company for doing the statutory audit under Companies Act, 2013 and other applicable laws. M/s. P.D.Randar & Co., Chartered Accountants, (Firm Registration No- 319295E) be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. T C Mahawar & Co, Chartered Accountants". The board seeks approval from shareholder regarding the appointment of M/s. P.D.Randar & Co., Chartered Accountants, (Firm Registration No- 319295E) and authorized board of directors to fix the remuneration.

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 is 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

The Company has adequate internal financial control procedures commensurate with its size and nature of business. 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 was 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 and SEBI, Stock Exchange Employees & Depository and Shareholders/ Investors for their valuable contribution towards the progress of the Company.

Registered Office
86, Canning Street
Kolkata – 700001
Dated: 10/08/2018
Place: Kolkata

For and on behalf of the Board

JITENDRA KOCHAR
Managing Director

**ANNEXURE-B
FORM NO. MGT 9**

Extract of ANNUAL RETURN as on Financial Year ended on 31.03.2018

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

I. REGISTRATION & 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 & contact details	86, CANNING STREET KOLKATA-700 001 Phone No. : 91 33 4600 4175
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAHESHWARI DATAMATICS PVT. LTD. 23, R N Mukherjee Road 5 th Floor ,KOLKATA-700001 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)

Sl. 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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the company
1	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/HUF	2341800	0	2341800	46.84	2341800	0	2341800	46.84	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	297000		297000	5.94	297000		297000	5.94	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	2638800	0	2638800	52.78	2638800	0	2638800	52.78	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Co.	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	823380	34600	857980	17.15	821180	34600	855780	17.12	-0.04
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	409707	513819	923526	18.47	413132	505919	919051	18.38	-0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	389221	186100	575321	11.50	398521	186100	584621	11.69	0.19

c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	4373	0	4373	0.09	1748	0	1748	0.04	-0.05
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):-	1626681	734519	2361200	47.22	1634581	726619	2361200	47.22	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1626681	734519	2361200	47.22	1634581	726619	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)	4265481	734519	5000000	100	4273381	726619	5000000	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	AJIT KOCHAR	399900	8.00	0	399900	8.00	0	0
2	AJIT KOCHAR HUF	19000	0.38	0	19000	0.38	0	0
3	ANAMIKA KOCHAR	34700	0.69	0	34700	0.69	0	0
4	ANIL KOCHAR	529200	10.58	0	529200	10.58	0	0
5	ANIL KOCHAR HUF	40000	0.80	0	40000	0.80	0	0
6	B DAULAT LTD	297000	5.94	0	297000	5.94	0	0
7	JITENDRA KOCHAR	384000	7.68	0	384000	7.68	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 KR. 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
18	JITENDRA KOCHAR HUF	20000	0.40	0	20000	0.40	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
	At the beginning of the year	2638800	52.78	2638800	52.78
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	2638800	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.	ADITI INDUSTRIES LTD.	324417	6.488	324417	6.488
2.	ASHA PROMOTERS LTD.	203800	4.076	203800	4.076
3.	VANI CHAND GHELANI	118000	2.36	118000	2.36
4.	MADHU TRADE & INVESMENT CO PVT LTD.	61800	1.23	61800	1.23
5.	ANAND POTATO COLD STORAGE PVT LTD	46840	0.94	46840	0.94
6.	PURVI SHAH	41500	0.83	41500	0.83
7.	SARITA LUNIA	37900	0.76	37900	0.76
8.	K V TRADERS PVT. LTD.	36000	0.72	36000	0.72
9.	ABHIJEET AGARWAL	35000	0.70	35000	0.70
10.	ABHISHEK AGARWAL	33605	0.67	33605	0.67

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	384000	7.68	384000	7.68
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	Total Amt.
		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, specifv...		
5	Others, please specify		
	Total (A)	300000	300000
	Ceiling as per the Act		

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	NIL
	Fee for attending board committee meetings	-	-	-	-	NIL

	Commission					
	Others, please specify					
	Total (1)	NIL	NIL	NIL	NIL	NIL
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/WTB

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Form No. MR - 3**SECRETARIAL AUDIT REPORT**for the financial year ended 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s. Daulat Securities Limited

Regd. Office: 86, Canning Street, 3rd Floor, Kolkata - 700001

Corp Office: PS Srijan Corporate Park, Unit-V, 18th Floor, GP-2 Sector V, Salt lake, Kolkata-700091

West Bengal, India

- I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DAULAT SECURITIES LIMITED** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
- Based on my verification of 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, 2018 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 :

3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of :
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (N/A)*
 - (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.(N/A)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (N/A)*
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (N/A)*
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (N/A)*
 - (f) 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:-
the Company itself is not registered as the Registrar and Share Transfer Agent.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (N/A)* and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (N/A)*

(N/A)*no such transaction undertaken by the Company during the audit period which require compliances under the act.

- (vi) Any other laws- as per the information provided by the Company, its officers and authorized representatives there is no such other Law applicable specifically to the Company.
4. I have also examined compliance with the applicable Clauses of the following :
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. To the best of my understanding, I am of the view that 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. The Company has not appointed a Company Secretary in whole time employment yet. Further, under the said section, a listed public company has to have a Chief Financial Officer. However The Company has not appointed the same.
 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.
6. **I further report that :**
 - i. Based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit, and also on the review of the quarterly compliance report by respective department heads 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.
 - ii. 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 Auditors and other designated professionals.
7. **I further report that :**
 - i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.
 - ii. 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.
 - iii. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
8. **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.
9. **I further report that** during the audit period the Company has no such specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
10. This report is to be read with our letter of even date which is annexed as "**Annexure - A**" and forms an integral part of this Report.

Place : Howrah
Date : 30th May 2018

Name of Company Secretary in practice / Firm:
CS AlpanaAgrawal
ACS No. 36445
C P No.: 13504