



NALWA SONS INVESTMENTS LIMITED



Annual Report 2013-14



Shri O. P. Jindal

August 7, 1930 - March 31, 2005
O.P. Jindal Group - Founder and Futurist

VISION IS
IMMORTAL

In an age when an obsession to outgrow others is paramount, our founder Chairman Shri O. P. Jindal saw the vital need for focusing on being the best. A rare visionary, he made quality the DNA for the group's growth.

Today, in the unseen presence of its doyen, the group continues its leadership journey, guided at every step by his immortal vision.

Executive Director & Chief Executive Officer

Mahender Kumar Goel

Directors

R. G. Garg

R. P. Jindal

Rakesh Garg

Company Secretary

Bhartendu Harit

Bankers

State Bank of India

Standard Chartered Bank

ICICI Bank Limited

Statutory Auditors

Messrs N. C. Aggarwal & Co.

Chartered Accountants

Registered Office

28, Najafgarh Road,

Moti Nagar Industrial Area,

New Delhi - 110 015 India

Phone: (011) 45021854, 45021812

Fax: (011) 25928118, 45021982

email id for investors: investorcare@nalwasons.com

Corporate Office

Jindal Centre, 12 Bhikaiji Cama Place,

New Delhi - 110 066 India

Phone: (011) 26188345-60

Fax: (011) 26170691, 26161271

email: info@jindalsteel.com

Branch Office

O.P. Jindal Marg,

Hisar -125 005 (Haryana) India

Phone: (01662) 222471-83

Fax: (01662) 220499

e-mail: info.hisar@jindalsteel.com

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43rd Annual General Meeting

Date : 29th September, 2014

Day : Monday

Time : 03:30 p.m.

Place : N.C. Jindal Public School

Road No. 73, West Punjabi Bagh

New Delhi - 110 026

Notice

NOTICE is hereby given that the **43rd ANNUAL GENERAL MEETING** of the Shareholders of **NALWA SONS INVESTMENTS LIMITED** will be held on **Monday, the 29th day of September, 2014 at 3:30 p.m. at N.C. Jindal Public School, Road No. 73, West Punjabi Bagh, New Delhi – 110 026** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a. the audited financial statement of the Company for the financial year ended on 31st March, 2014, the Reports of Board of Directors and Auditors thereon, and
 - b. the audited consolidated financial statement of the Company for the financial year ended on 31st March, 2014.
2. To appoint a director in place of Mr. Mahender Kumar Goel (DIN: 00041866), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in connection therewith, to pass, with or without modifications, the following resolution as Ordinary Resolution:

"RESOLVED that in pursuance to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the retiring statutory auditors, M/s. N.C. Aggarwal & Co., Chartered Accountants (Firm Regn. No. 003273N), who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as statutory auditors of the Company to conduct audit of the books of accounts of the Company for a period of three consecutive years, i.e. upto the conclusion of its 46th Annual General Meeting at a remuneration as may be finalized by the Board of Directors of the Company."

SPECIAL BUSINESS:

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTIONS:

4. AS AN ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. R.G. Garg (DIN: 00004517), Director of the Company, whose period is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a term of five years commencing from the date of 43rd Annual General Meeting of the Company."

5. AS AN ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. Rajinder Parkash Jindal (DIN: 00004594), Director of the Company, whose period is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a term of five years commencing from the date of 43rd Annual General Meeting of the Company."

6. AS AN ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. Rakesh Garg (DIN: 00038580), Director of the Company, whose period is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a term of five years commencing from the date of 43rd Annual General Meeting of the Company."

7. AS A SPECIAL RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, as may be amended, from time to time, the draft set of Articles of Association of the Company, a copy of which is placed before the meeting, be and is hereby approved and adopted as the new Articles of Association of the Company, in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

Registered Office:
28, Najafgarh Road,
Moti Nagar Industrial Area,
New Delhi – 110 015
12th August 2014

By order of the Board

(Bhartendu Harit)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. A blank proxy form is sent herewith.
3. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to special business to be transacted at the meeting is annexed hereto.
5. Under the 'Green Initiative' of the Ministry of Corporate Affairs. Notice of Annual General Meeting is being sent to the members who have registered Email Ids., through Email and to all other members by Regd. Post/Courier.
6. Documents referred to in the accompanying Notice and the Explanatory Statement are open to inspection by the members at the registered office of the Company on all working days up to the date of Annual General Meeting between 11:00 AM and 1:00 PM.
7. The business of the meeting may be transacted by the members through electronic voting system. Members who do not have access to e-voting facility have the option to request for physical copy of the Ballot Form by sending an e-mail to investorcare@nalwasons.com by mentioning their Folio / DP ID and Client ID No or download from Company's website www.nalwasons.com. However, the duly completed Ballot Form should reach the registered office of the Company not later than Saturday, 20th September, 2014 (6.00 p.m. IST). A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through Ballot shall prevail and E-voting shall be treated as invalid.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item Nos. 4, 5 and 6**

In terms of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. In terms of revised Clause 49 of the listing agreement which will be applicable from 1st October, 2014, persons who have already served as Independent Directors on the Board of a company for 5 years or more can be appointed for only one term of 5 years.

Mr. R.G. Garg, Mr. Rajinder Parkash Jindal and Mr. Rakesh Garg are Independent Directors of the Company and have been holding the office of directorship for a period more than 5 years. As per their existing terms of appointment, the period of their office is liable to determination by retirement by rotation in terms of Section 152 of the Act.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of all the above mentioned Directors for appointment as Independent Directors of the Company. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from these Directors that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act and Clause 49 of the listing agreement.

The Board of Directors considered the matter of their appointment in its meeting held on 12th August, 2014 on recommendation of the Nomination and Remuneration Committee and felt that their continued association would be of immense benefit to the Company and proposed their appointment as Independent Directors under Section 149 of the Act to hold office for a term of five years commencing from this Annual General Meeting of the Company. In the opinion of the Board, the above mentioned directors fulfill conditions of appointment as Independent Directors as specified in the Act and the listing agreement.

Brief resume of the aforesaid Directors, their educational and professional qualifications, nature of their work experience etc. are given under the head "Additional Information".

The Board recommends the resolutions set out at Item No. 4, 5 and 6 as ordinary resolutions to the shareholders for their approval.

Mr. R.G. Garg, Mr. Rajinder Parkash Jindal and Mr. Rakesh Garg and their relatives are interested in their respective resolutions. Save and except the above, no other Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No. 7

The present Articles of Association of the Company are based on the provisions of the Companies Act, 1956. Consequent to the notification and applicability of large number of Sections of the Companies Act, 2013 and Rules framed there under, it has become necessary to alter the existing Articles of Association of the Company to be in line with the new Act. The Board of Directors considered this matter in its meeting held on 12th August, 2014 and decided to adopt a new set of Articles of Association and replace the existing Articles of Association. A copy of draft Articles is available at the registered office of the Company.

Notice

As per Section 14 of the Companies Act, 2013, approval of the shareholders of the Company by way of a special resolution is required for alteration of Articles of Association of the Company.

The Board recommends the resolution set out at Item No. 7 to the shareholders for their approval as a special resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

ADDITIONAL INFORMATION: As required in terms of clause 49 of the listing agreement.

Brief Profile of the directors appointed / re-appointed and the directors, who retire by rotation and are eligible for re-appointment:

Mr. Mahender Kumar Goel

Mr. Mahender Kumar Goel is having rich experience in business management and managing the industrial units. He is 56 years old and is having more than thirty years experience in marketing and general administration.

Outside Directorship: Director of Sonabheel Tea Limited, Stainless Investments Limited, Jindal Systems Private Limited and Reward Buildwell Private Limited, KS Infra Tower and Landmark Private Limited, Colorado Trading Company Limited and Nalwa Engineering Company Limited.

Committee Membership: Nil

Mr. R.G. Garg

Mr. R.G. Garg holds a B.Sc. Engg. (Hons) degree in mechanical engineering from Punjab Engineering College, Chandigarh. He has over 45 years of rich experience in the steel industry.

Outside Directorship: Nil

Committee Membership: Chairman of Stakeholders Relationship Committee and member of Audit Committee of Nalwa Sons Investments Limited.

Mr. Rajinder Parkash Jindal:

A diploma in Mechanical Engineering, Mr. Rajinder Parkash Jindal has a work experience of more than 40 years in various fields such as technical, administration, public affairs etc. Besides his administrative acumen, Mr. Jindal has keen interest in games, art, and culture and women education. He has been the Co-Chairman of Haryana Affairs Committee of Punjab, Haryana & Delhi Chamber of Commerce and Industry. Presently, he is the Chairman of number of government ITIs which have been adopted by Jindal Stainless Limited. He is also the President of Citizens' Progressive Forum of Hisar, whose sole aim is to promote Art, Culture and Games. His association with the Company dates back to 1970.

Outside Directorship: Director of Jindal Stainless Limited, Nalwa Investments Limited and Jindal Steel & Alloys Limited.

Committee Membership: Chairman of Audit Committee of Nalwa Sons Investments Limited, Member of Stakeholders Relationship Committee of Jindal Stainless Limited and Nalwa Sons Investments Limited and Nomination and Remuneration Committee of Nalwa Sons Investments Limited.

Mr. Rakesh Garg

Mr. Rakesh Garg is M.Com. He is 55 years old. He has vast experience in marketing.

Outside Directorship: NIL.

Committee Membership: Member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Nalwa Sons Investments Limited.

By order of the Board

(Bhartendu Harit)
Company Secretary

Registered Office:
28, Najafgarh Road,
Moti Nagar Industrial Area,
New Delhi – 110 015
12th August, 2014

FOR ATTENTION OF SHAREHOLDERS

1. The register of members and share transfer books of the Company will remain closed from Wednesday, 24th September, 2014 to Friday, 26th September, 2014 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. As per provisions of the Companies Act, 2013, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form No. SH-13 prescribed by the Government from the Company's RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
4. The Company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.
5. The Securities and Exchange Board of India (SEBI) has, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, made it mandatory for the transferees to furnish copy of PAN card to the Company / RTA for registration of transfer of shares in physical form.
6. The Company has an Email Id. 'investorcare@nalwasons.com', which is being used exclusively for the purpose of redressing the complaints of the investors.
7. Members having old share certificates of Jindal Strips Limited and members having share certificates of erstwhile Jindal Ferro Alloys Limited are hereby requested to surrender their share certificates to NALWA SONS INVESTMENTS LIMITED (Formerly: Jindal Strips Limited), O.P. JINDAL MARG, HISAR – 125005 (HARYANA) INDIA, to enable it to issue new share certificates.
8. Members should quote their email addresses, telephone / fax numbers to get a prompt reply to their communications.
9. Members desiring any information/clarification on the accounts are requested to write to the Company at least seven days in advance, so as to enable the management to keep the information ready at the annual general meeting.
10. As a measure of economy, copies of the annual report will not be distributed at the meeting. Members are requested to bring along their copies.
11. Members/proxies are requested to bring the attendance slip, duly filled in.
12. In pursuance of the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached. The annual accounts and other related documents of the subsidiaries will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the subsidiary companies. The members, if they desire, may write to the Company Secretary at registered office of the Company to obtain the copy of the annual accounts of the subsidiary companies.

The annual accounts of the subsidiary companies would be open and accessible for inspection by the shareholders at registered office of the Company and registered office of the subsidiary companies on any working day except holidays till the date of the annual general meeting between 11:00 a.m. and 1:00 p.m.

IN DEFERENCE TO THE GOVT. POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.

TO
THE MEMBERS,

Your Directors have pleasure in presenting the forty third annual report of the Company together with the audited statement of accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The Financial performance of the Company during the year 2013-14 as under:

PARTICULARS	(₹ in Crore)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest and dividend income/ Other Income	21.59	19.44
Profit before Interest, Depreciation and Tax	21.05	16.99
Provision for Income Tax	4.03	3.44
Provision / (Assets) for Deferred Tax	(0.30)	(0.58)
Net Profit / (Loss) after Tax	17.33	14.13
Add/(Less): Surplus brought forward	76.35	65.05
Profit/ (Loss) available for appropriation	93.68	79.18
Transfer to Statutory Reserve	3.47	2.83
Balance carried to Balance Sheet	90.21	76.35

FINANCIAL, OPERATIONAL REVIEW & FUTURE PROSPECTS

During the year ended 31st March, 2014, the Income of the Company by way of dividend, interest and other income stood at ₹21.59 crore as compared to ₹19.44 crore during the previous year. Profit before interest, depreciation and tax stood at ₹21.05 crore as compared to ₹16.99 crore during previous year. Net Profit after tax stood at ₹17.33 crore as compared to ₹14.13 crore during the previous year.

An amount of ₹3.47 crore was transferred to Statutory Reserve Fund pursuant to Section 45-1C of the Reserve Bank of India Act, 1934, during the financial year under review.

Your Company holds significant investments in equity shares of steel manufacturing companies of O.P. Jindal group. The growth in Steel Sector in India is likely to sustain in coming years, therefore, the performance of the Investee Companies is also expected to improve in the ensuing years. The development in Architectural, Building and Construction sector being undertaken in India is also expected to give a further boost to the Steel industry and your Company is looking forward for a sustainable growth in its Investee Companies in the coming years which would enhance the shareholders' value.

In order to comply with the requirement of de-layering the investment holding structure as per Companies Act, 2013 and provide better visibility to the shareholders with respect to their underlying investment, pursuant to an internal realignment/reorganisation within the O. P. Jindal Group, equity shares of certain listed companies held by some of the company's subsidiary and other investee companies have been transferred by way of gift to Danta Enterprises Pvt. Ltd., Sahyog Tradcorp Pvt. Ltd., Virtuous Tradecorp Pvt. Ltd. and OPJ Trading Pvt. Ltd. (Transferee Companies), which are also part of the O. P. Jindal Group. This however, does not in any manner affect the interest of the Company as your Company holds equity stake in the Transferee Companies such that the economic interest of your company pre and post realignment/reorganisation remains unchanged.

DIVIDEND

The Directors have not recommended declaration of any dividend on equity shares for the year ended 31st March, 2014 in order to conserve the resources for future years.

PAYMENT OF LISTING FEE

The equity shares of your Company are presently listed on BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fee for the year 2013-14 has been paid to both the stock exchanges where the equity shares of your Company are listed.

CONSOLIDATED FINANCIAL STATEMENTS

As required under clause 32 of the listing agreement with the stock exchanges, audited consolidated financial statements form part of the Annual Report.

FIXED DEPOSIT

The Company has not accepted any deposit from the public. Hence, no information is required to be appended to this report.

RESERVE BANK OF INDIA GUIDELINES

Your Company has duly complied with all applicable rules, regulations and guidelines issued by Reserve Bank of India for NBFCs from time to time.

Pursuant to the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, issued by RBI, your Company is a Systematically Important Non-Deposit Taking Non-Banking Financial Company having an asset size of more than ₹100 crore.

The Company falls in the category of a Core Investment Company (CIC) in terms of the Core Investment Companies (Reserve Bank) Directions, 2011. The Company would continue to carry on the business permitted to a CIC in terms of the Core Investment Companies (Reserve Bank) Directions, 2011. The Company is in process of de-registration of the Company with Reserve Bank of India as a Non Banking Financial Company (NBFC) as it conforms to CIC norms.

DIRECTORS

Mr. Mahender Kumar Goel, Executive Director & Chief Executive Officer, will retire at the annual general meeting by rotation and, being eligible, offers himself for re-appointment.

Brief resume of Mr. Mahender Kumar Goel, nature of his expertise in specific functional areas and names of companies in which he holds the directorship and the membership/ chairmanship of committees of the board, as stipulated under clause 49 of the listing agreement with the stock exchanges, appear in the Notice of annual general meeting, which forms part of this annual report.

AUDITORS

M/s. N.C. Aggarwal & Co., statutory auditors of the Company, hold office until the conclusion of the ensuing annual general meeting and are eligible for re-appointment. The Company has received letters from them with their willingness to continue as auditors of the Company, if appointed and have confirmed that the said appointment, if made, would be within the limits prescribed under the Companies Act, 2013 and that they are not disqualified for re-appointment.

In terms of Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. N.C. Aggarwal & Co., having held office as Statutory Auditors for a period of more than 10 years prior to the commencement of the Companies Act, 2013, are eligible to be appointed as Auditors for a period of only three more years, that is until the conclusion of 46th Annual General Meeting of the Company.

The notes to the accounts referred to in the auditors' report are self-explanatory and, therefore, do not call for any further comments.

PARTICULARS REGARDING THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company is not engaged in any manufacturing activity, particulars under section 217(1)(e) of the Companies Act, 1956 regarding conservation of energy, technology absorption are not available.

Foreign exchange earnings: Nil

Foreign exchange outgo : Nil

PARTICULARS OF EMPLOYEES

During the year ended 31st March 2014, the Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

SUBSIDIARY COMPANIES

The Company has five subsidiaries namely Jindal Holdings Limited, Jindal Steel & Alloys Limited, Jindal Stainless (Mauritius) Limited, Massillon Stainless Inc., USA and Brahmaputra Capital and Financial Services Limited.

In pursuance of the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the balance sheet of the Company. The annual accounts and other related documents of the subsidiary companies will be made available to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will be kept open for inspection by any shareholder at the registered office of the Company and of the respective subsidiary companies. The consolidated financial statements of the Company include the financial results of all the subsidiary companies.

The members, if they desire, may write to Company Secretary at registered office of the Company to obtain the copy of the annual report of the subsidiary companies.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to directors' responsibility statement, it is hereby confirmed:

- (a) that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) that 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 at the end of the financial year and of the profit or loss of the Company for the year under review;
- (c) that 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;
- (d) that the directors have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

CORPORATE GOVERNANCE

A separate report on corporate governance and a certificate from statutory auditors regarding compliance of conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchanges form part of the annual report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under clause 49 of the listing agreements with the stock exchanges is enclosed with this report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their deep sense of appreciation for the continued assistance and co-operation by the Reserve Bank of India, other banks, Central and State Governments, SEBI, Stock Exchanges, all regulatory bodies and the shareholders during the year under review.

For and on behalf of the Board of Directors

Place: Hisar
Date: 30th May, 2014

Mahender Kumar Goel **Rajinder Parkash Jindal**
Executive Director & C.E.O. Director

Your Company recognizes communication as a key element of the overall corporate governance framework and, therefore, emphasises continuous, efficient, and relevant communication to all external constituencies. Your Company follows the principles of fair representation and full disclosure in all its dealings and communications. The Company's annual report, results and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your Company has fully complied with all mandatory requirements of corporate governance in letter and spirit.

A report on corporate governance is given below:

1. Company's philosophy on the code of corporate governance:

Your Company's philosophy on corporate governance envisages the alignment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders and government. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time.

2. Board of Directors:

(i) Composition of Board

The composition of Board of Directors presently consists of four directors as detailed hereunder indicating their status as independent or otherwise against their respective names:

Executive Directors:			
Sr. No.	Name of Director	Particulars	Status
1.	Mr. Mahender Kumar Goel	Executive Director & Chief Executive Officer	Non-Independent
Non Executive Directors:			
Sr. No.	Name of Director	Particulars	Status
1.	Mr. R.G. Garg	Director	Independent
2.	Mr. Rajinder Parkash Jindal	Director	Independent
3.	Mr. Rakesh Garg	Director	Independent

No director is related to other directors on the Board.

(ii) Board Meetings

During financial year 2013-14, ten Board meetings were held on 22nd April, 2013, 30th May, 2013, 14th August, 2013, 11th November, 2013, 15th January, 2014, 12th February, 2014, 18th February, 2014, 5th March, 2014, 13th March, 2014 and 19th March, 2014. The maximum time gap between any two meetings was not more than four calendar months.

(iii) Attendance of Directors & other Directorships

Attendance of Directors at the Board meetings, last annual general meeting and number of directorships and chairmanships/memberships of committees in other companies are given below:

Sr. No	Name of the Director	No. of equity shares held	Attendance Particulars		No. of Directorships held in other public companies and No. of Memberships/ Chairmanships in other Board Committees (Only Audit Committee and Stakeholders Relationship Committee)		
			Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
1	Mr. Mahender Kumar Goel	-	10	Yes	2	-	-
2.	Mr. R.G. Garg	120	3	No	-	-	-
3.	Mr. Rajinder Parkash Jindal	-	10	No	3	1	-
4.	Mr. Rakesh Garg	16	10	No	-	-	-

None of the directors on the Board is a director in more than 15 companies (as specified in section 275 of the Companies Act, 1956) and is a member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49 of the listing agreement) across all the companies in which he is a director.

(iv) Board Procedure

The Board Meeting of the Company is held at least once in each quarter in order to review the quarterly performance and the financial results. The intimation of the Board Meeting is given to the members of the Board at least seven clear days before the date of the Board Meeting in writing and over the phone as well the agenda of the meeting and the relevant notes are sent to each director in advance and only in exceptional circumstances it is tabled at the meeting. All the items of agenda are accompanied with detailed notes providing information on the related subject.

The members of the Board are informed at every meeting about the overall performance of the Company during the quarter, which enable the Board to discharge their duties and responsibilities more efficiently. Apart from the matters statutorily requiring board's approval, all other major decisions including policy formulation, new investments, compliance with statutory / regulatory requirements are also considered by the Board.

The Minutes of the Board Meeting are circulated to all the members of the Board in advance and are confirmed at subsequent Board Meeting.

3. Audit Committee:

Terms of Reference:

The "Terms of Reference" of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges, as on 31st March, 2014.

The "Terms of Reference" of the Audit Committee have since been revised by the Board of Directors at its meeting held on 30th May, 2014, in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges (Clause 49 has been amended by SEBI vide its Circular dated April 17, 2014).

Composition and Attendance:

The composition of the Audit Committee is in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges, as on 31st March, 2014.

The Audit Committee consists of three Directors, all being Independent and Non-Executive. The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges (Clause 49 has been amended by SEBI vide its Circular dated April 17, 2014).

Sr. No.	Name	Status
1.	Mr. Rajinder Parkash Jindal	Chairman
2.	Mr. R.G. Garg	Member
3.	Mr. Rakesh Garg	Member

Mr. Bhartendu Harit, Company Secretary, is the Secretary of the Audit Committee.

During financial year 2013-14, four Audit Committee meetings were held on 30th May, 2013, 14th August, 2013, 11th November, 2013 and 12th February, 2014. Mr. Rajinder Parkash Jindal and Mr. Rakesh Garg were present in all the four meetings and Mr. R.G. Garg attended three meetings.

Whistle Blower Policy – Vigil Mechanism

The Board of Directors at its meeting held on 30th May, 2014, revised the existing Whistle Blower Policy (WBP) of the Company in accordance with the requirements of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement (Clause 49 has been amended by SEBI vide its Circular dated April 17, 2014, which will be applicable w.e.f. October 1, 2014).

WBP provides for establishment of vigil mechanism for directors and employees to report genuine concerns or grievances. It encourages all employees, directors and business partners to report any suspected violations promptly and intends to investigate any bonafide reports of violations. It also specifies the procedures and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including financial irregularities, including fraud, or suspected fraud, wastage / misappropriation of Company's funds/assets etc.

WBP also provides for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases.

4. Nomination and Remuneration Committee:

Terms of Reference (as on 31st March, 2014):

To determine the remuneration packages of the executive directors.

Terms of Reference (revised):

The Nomination and Remuneration Committee has been constituted for:

1. Selection of candidates for the position of Directors on the Board of Directors and senior management of the Company and recommendation to the Board for their appointment and removal thereof.
2. Evaluation of performance of Directors on the Board of the Company.
3. Formulation of criteria for determining qualifications, positive attributes and independence of Directors on the Board of the Company.
4. Formulation and recommendation to the Board, a Nomination and Remuneration Policy, relating, among other, to remuneration of Directors on the Board of the Company, key managerial personnel and other employees etc.
5. Devising a Policy on Board diversity.
6. Determination of remuneration package of persons proposed to be appointed as Directors on the Board of Directors and in the senior management, including salary, benefits, perquisites, allowances, reimbursements, facilities, share in profits, commission, management incentives, stock options etc. in accordance with section 196, 197 and other applicable provisions and schedule V to the Companies Act, 2013 and the Company's policies and their recommendation to the Board of Directors.
7. Determination, from time to time, of terms of revision of remuneration of Directors on the Board of Directors including salary, benefits, perquisites, allowances, reimbursements, facilities, share in profits, commission, management incentives, stock options etc. in accordance with section 196, 197 and other applicable provisions and schedule V to the Companies Act, 2013 and the Company's policies and their recommendation to the Board of Directors.
8. Undertaking any other activity in this regard as may be required by the Companies Act, 2013 or the Rules, from time to time.
9. To do all acts, deeds and things which may be necessary for effective implementation of the foregoing acts.

Composition and attendance:

The Nomination and Remuneration Committee consists of following three Directors, all being Independent:

Sr. No.	Name	Status
1.	Mr. R.G. Garg	Chairman
2.	Mr. Rajinder Parkash Jindal	Member
3.	Mr. Rakesh Garg	Member

No meeting of Nomination and Remuneration Committee was held during the year ended 31st March, 2014.

Remuneration of Executive Directors:

Details of the remuneration paid to the Executive Director for the financial year ended 31st March, 2014 is given below:

(Amount in `)

Name of Director	Designation	Basic Salary	Contribution to PF	Others	Total
Mr. Mahender Kumar Goel	Executive Director & Chief Executive Officer	6,23,400	74,808	8,76,039	15,74,247

At present, the Company does not have any stock option plan as part of remuneration package for any director.

Remuneration Policy:

Remuneration of executive directors largely consists of base remuneration and perquisites.

Sitting fees paid to Non Executive Directors:

No sitting fee and no commission was paid to any director.

5. Stakeholders Relationship Committee:

The Board of Directors of the Company at its meeting held on 30th May, 2014 renamed the Shareholders' / Investors' Grievance Committee as "Stakeholders Relationship Committee" and revised its Terms of Reference in conformity with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges (Clause 49 has been amended by SEBI vide its Circular dated April 17, 2014, which will be applicable w.e.f. October 1, 2014).

The Stakeholders Relationship Committee of the Company comprises Mr. R.G. Garg, Chairman, Mr. Rajinder Parkash Jindal and Mr. Rakesh Garg, Members, look into the grievances of the Shareholders related to transfer of shares, payment of dividend and non receipt of annual report and recommends measures for expeditious and effective investor service.

The Company has duly appointed share transfer agent (R&T Agent) for servicing the shareholders holding shares in physical or dematerialised form. All requests for dematerialisation of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time. The Committee also monitors redressal of investors' grievances.

Pursuant to the Listing Agreement with the Stock Exchanges, Mr. Bhartendu Harit, Company Secretary has been appointed as the Compliance Officer who monitors the share transfer process and liaises with the Authorities such as SEBI, Stock Exchanges, and Registrar of Companies etc. The Company complies with the various requirements of the Listing Agreement and depositories with respect to transfer of shares and share certificates are sent to them within the prescribed time.

During the year ended 31st March, 2014, 16 complaints were received which stand resolved and no complaint is pending as on 31st March 2014.

6. Share Transfer Committee:

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the Share Transfer Committee comprising Mr. Rajinder Parkash Jindal, Director, Mr. Rakesh Garg, Director, Mr. Bhartendu Harit, Company Secretary and a representative of Registrar & Transfer Agent.

7. General Body Meetings:

The details of date, time and location of annual general meetings held in last three years are as under:

Year	Date	Day	Time	Venue
2010-11	30.9.2011	Friday	11:30 A.M.	N.C. Jindal Public School Road No. 73, West Punjabi Bagh, New Delhi – 110 026.
2011-12	28.09.2012	Friday	04:00 P.M.	- do -
2012-13	27.09.2013	Friday	03:30 P.M.	- do -

No. of special resolutions passed during last three AGMs

AGM	No. of special resolutions
2010-11	0
2011-12	0
2012-13	0

Postal Ballot:

At ensuing annual general meeting, there is no resolution proposed to be passed through postal ballot.

Extraordinary General Meeting

No Extraordinary General meeting was held during the year.

8. Disclosures:

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

The Company has not entered into any transaction of material nature with the promoters, the directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company.

(ii) Disclosure of accounting treatment

The financial statements are prepared under the historical cost convention and have been prepared in accordance with the applicable mandatory accounting standards prescribed by The Institute of Chartered Accountants of India and relevant presentational requirements of the Act.

(iii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities relating to the above.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with the mandatory requirements of this clause.

Compliance with non-mandatory requirements (as on 31st March, 2014)

(1) The Board

It is ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.

(2) Remuneration Committee

The Company has setup Remuneration Committee of directors to recommend / review overall compensation structure and policies of the executive directors.

(3) Shareholders' Rights

The quarterly results of the Company are published in one English (National daily) and one Hindi newspaper, having wide circulation in Delhi. Further, the quarterly results are also posted on the website of the Company – www.nalwasons.com. In view of the foregoing, the half yearly results of the Company are not sent to the shareholders individually.

(4) Audit Qualifications

During the period under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best accounting practices.

(5) Training of Board members/Mechanism for evaluating non-executive Board members

The Board of Directors of the Company comprises of 3 non-executive directors. The directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporates and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

(6) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy (WBP) which encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any bonafide reports of violations. The Whistle Blower Policy specifies the procedures and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misinterpretation of accounts and financial statements.

WBP also provides safeguard against victimisation or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

9. Means of Communication:

i) Quarterly Results	The quarterly, half yearly and yearly financial results of the Company are faxed /sent to the stock exchanges after they are approved by the Board. These are also published in the prescribed format as per the provisions of the listing agreement.
ii) Newspapers wherein results normally published	Financial Express (English), Jansatta (Hindi) (for the year 2013-14)
iii) Website, where displayed	www.nalwasons.com
iv) Whether it also displays official news releases	Yes, wherever applicable
v) The Presentations made to institutional investors or to the analysts	Will be complied with whenever applicable / made.

10. General Shareholder Information

10.1 Annual General Meeting :

- Date and Time : 29th September 2014 at 3:30 p.m.
- Venue : At N.C. Jindal Public School, Road No. 73, West Punjabi Bagh, New Delhi – 110 026.

10.2 Financial Calendar :

2014-15 (Tentative)	Annual General Meeting – (Next Year)	September, 2015
	Board Meetings	On or before:
	Results for quarter ending June 30, 2014	14th August, 2014
	Results for quarter ending September 30, 2014	14th November, 2014
	Results for quarter ending December 31, 2014	14th February, 2015
	Results for year ending March 31, 2015 (Audited)	30th May, 2015

10.3 Book Closure date : Wednesday, 24th September, 2014 to Friday, 26th September, 2014 (both days inclusive). for annual general meeting.

10.4 (a) Dividend payment particulars : The Company has not declared dividend for the financial year ended 31st March, 2014.

(b) Unclaimed Shares

In terms of Clause 5A of the Listing Agreement, the Company had through its RTA sent three reminders to Shareholders whose Share Certificates were lying unclaimed with the Company, requesting them to provide complete postal address and other relevant details to enable the RTA to dispatch such unclaimed Share Certificates to them. On the basis of non-receipt of response, 3,694 unclaimed Equity Shares of ` 10/- each held by 230 Shareholders were then transferred to an "Unclaimed Suspense Account" and were dematerialized.

The corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., were also credited to the Demat Suspend Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

As and when the rightful owner of such shares approaches the Company, the Company shall to the extent of his / her entitlement, arrange to deliver the shares from the said account to the rightful owner after proper verification of his / her identity.

- 10.5 Listing of Equity Shares on Stock Exchanges at** : National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G – Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company confirms that it has paid annual listing fees due to both the above two stock exchanges.

- 10.6 Stock Code** : Trading Symbol – BSE Limited (Demat Segment) 532256
Trading Symbol – National Stock Exchange of India Limited (Demat Segment) NSIL

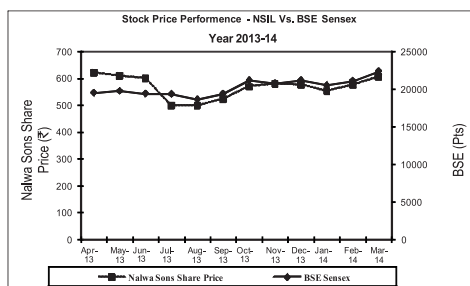
International Securities Identification Number (ISIN) : INE023A01030

Reuters Code : NALS.BO (BSE Limited)
NALS.NS (National Stock Exchange of India Limited)

- 10.7 Stock Market Data** : **National Stock Exchange (NSE)** (In `) **BSE Limited (BSE)** (In `)

	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2013	697.90	610.00	695.00	610.00
May 2013	676.10	610.25	680.00	610.05
June 2013	638.85	551.00	655.00	550.00
July 2013	614.05	549.00	613.90	500.00
August 2013	540.00	475.00	548.00	451.55
September 2013	591.00	500.00	599.90	477.00
October 2013	600.00	528.00	645.00	510.00
November 2013	599.00	566.00	605.00	565.00
December 2013	635.00	560.00	609.05	577.10
January 2014	615.00	525.10	622.00	542.00
February 2014	595.70	508.50	586.95	508.05
March 2014	614.95	555.05	637.95	552.00

10.8 Share price performance in comparison to broad based indices – BSE Sensex



Note : Based on the Monthly closing data of Nalwa Sons (Rs per share) and BSE Sensex (Pts)

10.9 Registrar and Transfer Agent : Link Intime India Private Limited
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase I, Near PVR Narayana,
New Delhi -110028

10.10 Share Transfer System : Share transfer requests are registered within 10- 15 days.

10.11 Distribution of shareholding as at 31st March, 2014:

By size of shareholders	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 500	24,416	99.42	6,27,912	12.23
501 - 1000	68	0.28	48,122	0.94
1001 - 2000	28	0.11	39,927	0.78
2001 - 3000	7	0.03	17,238	0.34
3001 - 4000	9	0.04	31,550	0.61
4001 - 5000	6	0.02	27,569	0.54
5001 - 10000	4	0.02	25,864	0.50
10001 & Above	21	0.08	43,17,981	84.06
TOTAL	24,559	100.00	51,36,163	100.00
Physical Mode	11,235	45.75	2,36,183	4.60
Electronic Mode	13,324	54.25	48,99,980	95.40

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	28,56,510	55.62
FIs/Banks/Mutual Funds	30,896	0.60
Corporate Bodies	1,51,493	2.95
FIIIs	2,16,901	4.22
NRIs/ OCBs	7,97,453	15.53
Public	10,82,910	21.08
TOTAL	51,36,163	100.00

10.12 Dematerialisation of shares : On 31st March, 2014, 95.4% of the shares are in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. 29th November, 1999 as per notification issued by the Securities and Exchange Board of India (SEBI).

10.13 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity. : Nil

10.14 Plant locations : Nil

10.15 Investor Correspondence :
For transfer/ dematerialisation of shares, payment of dividend on shares, query on Annual Report and any other query on the shares of the Company.

Name : Mr. V.M. Joshi
Designation : Vice President
Address : Link Intime India Private Limited
44, Community Center, 2nd Floor, Naraina Industrial Area, Phase I,
Near PVR, Naraina, New Delhi - 110028
Phone No. : (011) 41410592/93/94
Fax No. : (011) 41410591
Email : delhi@linkintime.co.in

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, bank mandate and status to their respective Depository Participants (DPs).

Important Communication to Members:

Members must be aware that Ministry of Corporate Affairs (MCA) has started a “Green Initiative in the Corporate Governance”, whereby it has allowed paperless compliances by the Companies in the field of servicing of notice / documents, including Annual Report through emails. Members, who have not yet registered their email addresses, are requested once again to register their email addresses in respect of their shareholding in electronic mode with the Depository Participants, including any change in their email id. Members holding shares in physical mode are requested to register their email addresses with the Company. / M/s Link Intime India Private Limited, New Delhi, the Registrar & Transfer Agent.

11. OTHER INFORMATION

(a) Risk Management Framework:

The Company has in place mechanisms to inform Board members about the risk assessment and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management through the means of a properly defined framework.

(b) CEO and CFO Certification

The Executive Director & C.E.O. and the Company Secretary of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

(c) Code of Conduct

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of conduct is available on the website of the Company. The declaration of Executive Director & C.E.O. is given below:

To the Shareholders of Nalwa Sons Investments Limited	
Sub.: Compliance with Code of Conduct	
I hereby declare that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.	
Place: Hisar	Mahender Kumar Goel
Date : May 30, 2014	Executive Director & C.E.O.

General Disclosures

- (i) A summary of transactions with related parties in the ordinary course of business is periodically placed before the audit committee;
- (ii) The mandatory disclosure of transactions with related parties in compliance with Accounting Standard AS-18 is a part of this annual report;
- (iii) In preparing with annual accounts in respect of the financial year ended 31st March, 2014, no accounting treatment was different from that prescribed in the Accounting Standards;
- (iv) The Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- (v) The Company did not make any public issue, rights issue or preferential issue of any security during the financial year ended 31st March, 2014.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the members of Nalwa Sons Investments Limited

We have examined the compliance of conditions of Corporate Governance Procedure implemented by Nalwa Sons Investments Limited for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have been complied with in all material respect by the Company and that no investor grievance(s) is/are pending for exceeding one month against the Company as per the records maintained by the Shareholders Grievance / Share Transfer Committee of the Board.

For **N.C. AGGARWAL & Co.**
Chartered Accountants
Firm Registration No.003273N

Place : Hisar
Dated : 30th May, 2014

(G.K. Aggarwal)
Partner

OVERVIEW - FINANCIAL PERFORMANCE

During the year ended 31st March, 2014, the Income of the Company by way of dividend, interest and other income stood up at ₹21.59 crore as compared to ₹19.44 crore during the previous year. Profit before interest, depreciation and tax stood at ₹21.05 crore as compared to ₹16.99 crore during previous year. Net Profit after tax stood at ₹17.33 crore as compared to ₹14.13 crore during the previous year.

OUTLOOK

The Company falls in the category of a Core Investment Company (CIC) in terms of the Core Investment Companies (Reserve Bank) Directions, 2011. The Company would continue to carry on the business permitted to a CIC in terms of the Core Investment Companies (Reserve Bank) Directions, 2011. The Company is in process of de-registration of the Company with Reserve Bank of India as a Non Banking Financial Company (NBFC) as it conforms to CIC norms.

Your Company continues to hold significant investments in equity shares of steel manufacturing companies of O.P. Jindal group. The performance of the Investee Companies are expected to improve in the current financial year, which would result in higher dividend payouts in the coming year. The Company will focus on making long term strategic investments in various new ventures promoted by O.P. Jindal group, besides consolidating the existing investments through further investments in the existing companies.

OPPORTUNITIES AND THREATS

The global steel industry continues to witness stable recovery in a period of heightened economic uncertainties. India became net steel exporter in the year 2013-14 after a gap of six years and is likely to maintain momentum in 2014-15. While higher exports were driven by volatility of rupee and mismatched demand supply situation in the country; imports were lower mainly due to slowdown in the domestic economy. Domestic steel demand continues to remain under stress and recorded growth at a slower pace during the year under review.

Acceleration in infrastructure spending, lower interest rates to trigger demand for automobiles & consumer durables and opening of mines to drive up sales of heavy equipment would be expected to drive steel output and consumption. Indian steel industry is on the path of recovery and the performance of the Investee Companies are expected to improve in the current financial year, which would result in stable dividend payouts in the coming years.

Your Company continues to hold significant investments in Equity Shares of steel companies. The anticipated infrastructure development and supportive government measures in the country is expected to give a further boost to the steel industry and your Company is looking forward for a sustainable growth in its Investee Companies in the coming years which would enhance the shareholders' value.

RISKS AND CONCERNS

The Company is mainly exposed to market risks in the form of reduction in value of its investments and fall in returns due to dip in the investee company's performance. The Company is also exposed to the fluctuations of economy and industry cycles / downturns.

ADEQUACY OF INTERNAL CONTROL SYSTEM

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

HUMAN RESOURCE DEVELOPMENT

The Company recognizes that its human resource is its strength in realizing its goals and objectives.

CAUTIONARY STATEMENT

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

To the Members' of

NALWA SONS INVESTMENTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NALWA SONS INVESTMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for the preparation of 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 accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those 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 judgment, 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.

Emphasis of Matter:-

- i) The Policy for demand Loan given by the Company as to the repayment, interest servicing and monitoring of the loans need to be strengthened in line with Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 - (Refer Para No. 10 of Note No. 15 of Notes to the Financial Statements).
- ii) Investment as long term strategic investment in subsidiary companies in equity shares exceeds the single exposure norms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, for which company has pursued appropriate exemptions/dispensation from Reserve Bank of India - (Refer Para No. 11 of Note No. 15 of Notes to the Financial Statements).

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;

Independent Auditors' Report

- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Regn. No. 003273N

(G.K. AGGARWAL)
Partner
M. No. 086622

Place: Hisar
Dated: 30th May, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (I) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31st MARCH, 2014)

1. a) The Company has maintained proper records in respect of its Fixed Assets showing full particulars including quantitative details and situation of fixed assets.
- b) We have been informed that fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable. No discrepancies between the book records and the physical inventory were noticed.
- c) No fixed assets were disposed off during the year.
2. a) As informed to us, the Company has not given any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (b) to (d) of the order are not applicable
- b) As informed to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (f) and (g) of the order are not applicable.
3. In our opinion and according to information and explanations given to us, the internal control system with regard to purchase and sale of inventories (including investments) and purchase of fixed assets is adequate and commensurate with the size of the company and the nature of its business.
4. In our opinion and according to the information and explanations given to us, there are no particulars of contracts or arrangements required to be entered into the register maintained under Section 301 of the Companies Act, 1956, Hence, paragraph 4(v) (b) of the order is not applicable.
5. The Company has not accepted any fixed deposit from the public. Therefore the provisions of Section 58A, 58AA or any other relevant provisions of the Act and rules framed there under are not applicable to the Company.
6. The Company has an adequate internal audit system, commensurate with its size and nature of business.
7. a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues as applicable to the company including Employees Provident Fund, Investor Education and Protection Fund and Income Tax. There is no arrears as at 31st March 2014 for a period of more than six months from the date it become payable.
- b) According to the information and explanations given to us, there are no dues of Employees Provident Fund, Investor Education and Protection Fund which have not been deposited on account of any dispute. The disputed dues in respect of Income Tax which has not been deposited with appropriate authorities on account of dispute and the forum where the dispute is pending are as given below:-

Name of the statute	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	49.85	2004-05	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	514.74	2004-05	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	89.08	2005-06	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	275.14	2006-07	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	165.68	2006-07	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	173.40	2007-08	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	16.99	2007-08	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	52.81	2008-09	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	0.31	2008-09	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	43.91	2009-10	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	44.76	2010-11	Commissioner of Income Tax (Appeals), Delhi

Independent Auditors' Report

8. According to the books of account and records of the company, no amount is due to financial institution or bank or debenture holders.
9. The Company does not have accumulated losses as at the end of the financial year. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
10. The Company has not taken any loan from banks, financial institutions or debenture holders. Accordingly paragraph 4(xi) of the order is not applicable.
11. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4(xii) of the order is not applicable.
12. According to the information and explanations given to us, the company has given guarantee for loan taken by others from banks/financial institutions, the terms and conditions of which are prima facie, not prejudicial to the interest of the company.
13. The Company did not have any term loans outstanding during the year.
14. The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and that timely entry have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name except investment in a subsidiary company pursuant to section 49(3) of the Companies Act, 1956.
15. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short-term basis which have been used for long-term purposes.
16. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. The company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable.
18. The Company has not raised any money by Public issue during the year. Accordingly paragraph 4(xx) of the order is not applicable.
19. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Regn. No. 003273N

(G.K. AGGARWAL)
Partner
M. No. 086622

Place: Hisar
Dated: 30th May, 2014

Balance Sheet As At 31st March, 2014

Particulars	Note No	(₹in Lacs)	
		As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	513.62	513.62
(b) Reserves and Surplus	2	33,824.21	32,091.40
(2) Non-Current Liabilities			
(a) Long Term Provisions	3	5.75	5.82
(3) Current Liabilities			
(a) Other Current Liabilities	4	12.61	10.77
(b) Short-Term Provisions	5	32.36	33.30
Total		34,388.55	32,654.91
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	6	0.64	0.73
(b) Non-Current Investments	7	19,117.98	17,511.66
(c) Deferred Tax Assets (net)		272.76	242.94
(2) Current Assets			
(a) Current investments	8	450.00	-
(b) Cash and Cash Equivalent	9	56.27	5.19
(c) Short-Term Loans and Advances	10	14,490.90	14,894.39
Total		34,388.55	32,654.91
Significant Accounting Policies and Notes to the Financial Statements	15		

As per our report of even date attached
For **N. C. AGGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 003273N

(G.K. AGGARWAL)
Partner
Membership No. 086622

Place : Hisar
Date : 30th May, 2014

MAHENDER KUMAR GOEL
Executive Director & CEO
(DIN 00041866)

RAKESH GARG
Director
(DIN 00038580)

RAJINDER PARKASH JINDAL
Director
(DIN 00004594)

BHARTENDU HARIT
Company Secretary

Statement of Profit and Loss for the year 31st March, 2014

Particulars	Note No	₹ in Lacs	
		Year Ended 31st March, 2014	Year Ended 31st March, 2013
I. Gross Revenue from Operations	11	2,159.21	1,943.91
II. Other Income	12	1.08	0.14
III. Total Revenue (I +II)		2,160.29	1,944.05
IV. Expenses			
Employee Benefit Expense	13	31.71	30.57
Depreciation and Amortisation Expense		0.09	0.09
Other Expenses and Provisions	14	22.90	35.83
Provision for Sub-Standard Assets		-	179.11
Total Expenses		54.70	245.60
V. Profit before tax (III - IV)		2,105.59	1,698.45
VI. Tax expense:			
Current tax		402.61	344.08
Deferred tax liability / (Assets)		(29.82)	(58.45)
		372.79	285.63
VII. Profit/(Loss) for the year (V-VI)		1,732.80	1,412.82
VIII. Earning per equity share (In Rs.):			
Basic		33.74	27.51
Diluted		33.74	27.51
Significant Accounting Policies and Notes to the Financial Statements	15		

As per our report of even date attached
For **N. C. AGGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 003273N

(G.K. AGGARWAL)
Partner
Membership No. 086622

Place : Hisar
Date : 30th May, 2014

MAHENDER KUMAR GOEL
Executive Director & CEO
(DIN 00041866)

RAKESH GARG
Director
(DIN 00038580)

RAJINDER PARKASH JINDAL
Director
(DIN 00004594)

BHARTENDU HARIT
Company Secretary

Significant Accounting Policies and Notes to the Financial Statements

Note Particulars No.	(₹ in Lacs)			
	As at 31st March, 2014	As at 31st March, 2013		
1. SHARE CAPITAL				
Authorized				
(i) 150,00,000 Equity Shares of ₹ 10/- each	1,500.00	1,500.00		
	1,500.00	1,500.00		
Issued, Subscribed and Fully Paid-Up				
51,36,163 (previous year 51,36,163) Equity Shares of ₹10/- each	513.62	513.62		
Total Share Capital	513.62	513.62		
(a) Reconciliation of the number of shares:				
Equity Shares				
Shares outstanding as at the beginning of the year	5,136,163	5,136,163		
Shares outstanding as at the end of the year	5,136,163	5,136,163		
(b) Details of shareholders holding more than 5% shares in the company:				
Name of Shareholders	No. of Shares	% of holding as at 31.3.2014	No. of Shares	% of holding as at 31.3.2013
Jindal Equipment Leasing and Financial Services Ltd.	-	-	311,393	6.06
Sun Investment Ltd.	-	-	504,738	9.83
Vrindavan Services Pvt. Ltd.	-	-	268,565	5.23
Hexa Securities and Finance Co. Ltd	-	-	267,723	5.21
Groovy Trading Pvt. Ltd.	-	-	488,611	9.51
Ricky Ishwardas Kirplani	405,561	7.90	405,511	7.90
Keshwani Haresh	304,830	5.93	304,830	5.93
Danta Enterprises Private Limited	571,386	11.12	-	-
Sahyog Tradcorp Private Limited	571,386	11.12	-	-
Virtuous Tradcorp Private Limited	571,385	11.12	-	-
OPJ Trading Private limited	571,386	11.12	-	-
Total	2,995,934	58.31	2,551,371	49.67

(c) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10/- per equity share. Each equity shareholder is entitled to one vote per share.

Note Particulars No.	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
2. RESERVES AND SURPLUS		
a) Securities Premium Account		
As per Last Account	3,004.20	3,004.20
Closing Balance	3,004.20	3,004.20
b) General Reserve		
As per Last Account	2,262.77	2,262.77
Closing Balance	2,262.77	2,262.77
c) Capital Reserve		
Demerger Account as per scheme of Arrangement and Demerger	17,276.90	17,276.90
Closing Balance	17,276.90	17,276.90
d) Statutory Reserve		
As per Last Account	1,911.96	1,629.39
Add: Transferred from surplus in profit and loss account	346.56	282.57
Closing Balance	2,258.52	1,911.96
e) Surplus in Profit and Loss Account		
Balance as per last financial statements	7,635.58	6,505.33
Add: Profit after tax transferred from Statement of profit and Loss	1,732.80	1,412.82
Less: Transfer to Statutory reserve	(346.56)	(282.57)
Balance in Profit and Loss Account Carried Forward	9,021.82	7,635.58
Total Reserves and Surplus	33,824.21	32,091.40

Significant Accounting Policies and Notes to the Financial Statements

Note Particulars No.	As at 31st March, 2014	As at 31st March, 2013
3. LONG-TERMS PROVISIONS		
Provision for Gratuity	5.15	4.95
Provision for Leave Encashment	0.60	0.87
Total Long Term Provisions	5.75	5.82

4. OTHER CURRENT LIABILITIES		
a) Interest Accrued and due	1.09	1.09
b) Other Payables		
Statutory Dues	1.02	0.86
Dues to Employees	2.85	2.77
Others	7.65	6.05
Total Other Current Liabilities	12.61	10.77

5. SHORT TERM PROVISIONS		
Provisions for Standard Assets (Refer para 7(a) of Note No. 15)	31.81	32.88
Provision for Leave Encashment	0.55	0.42
Total Short Term Provisions	32.36	33.30

DESCRIPTION	(₹ in Lacs)									
	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.13	Additions During The Year	Sales/ Trfd During The Year	Total as on 31.03.14	Upto 31.03.13	During The Year	Written Back	Total as on 31.03.14	As on 31.03.14	As on 31.03.13
Furniture & Fixture	1.14	-	-	1.14	0.64	0.07	-	0.71	0.43	0.49
Other Assets	0.41	-	-	0.41	0.18	0.02	-	0.20	0.21	0.24
TOTAL	1.55	-	-	1.55	0.82	0.09	-	0.91	0.64	0.73
Previous Year	1.55	-	-	1.55	0.73	0.09	-	0.82	0.73	

Significant Accounting Policies and Notes to the Financial Statements

7. NON-CURRENT INVESTMENTS

Non trade Investments

DETAILS OF INVESTMENTS		AS AT 31ST MARCH, 2014			AS AT 31ST MARCH, 2013		
SR. NO.	PARTICULARS	SHARES/ DEB./ BONDS (Nos.)	FACE & PAID UP VALUE PER SHARE/ DEB/ BOND	AMOUNT (₹In Lacs)	SHARES/ DEB./ BONDS (Nos.)	FACE & PAID UP VALUE PER SHARE/ DEB/BOND	AMOUNT (₹In Lacs)
LONG TERM OTHER THAN TRADE							
EQUITY SHARES OF							
A SUBSIDIARY COMPANY							
UNQUOTED:							
1	Jindal Holdings Ltd.	16085665	10	6,100.66	16085755	10	6,100.70
2	Brahmputra Capital & Financial Services Ltd.*	21337490	10	2,168.79	-	-	-
3	Jindal Steel & Alloys Ltd.	7019860	10	3,501.93	7020000	10	3,502.00
4	Jindal Stainless (Mauritius) Ltd.	10700000	US\$1	4,938.99	10700000	US\$1	4,938.99
				16,710.37			14,541.69
Less : Provision for Diminution in Investments				(4,938.99)			(4,938.99)
SUB TOTAL (A)				11,771.38			9,602.70
B OTHERS							
a) QUOTED							
1	Jindal Saw Ltd.	53550000	2	330.70	53550000	2	330.70
2	Shalimar Paints Ltd.	1372590	2	135.32	274518	10	135.32
3	JSW Steel Ltd.	4548637	10	1,986.90	4548637	10	1,986.90
4	Jindal South West Holdings Ltd.	1137145	10	1,182.65	1137145	10	1,182.65
5	JSW Energy Ltd.	370	10	0.01	370	10	0.01
6	Hexa Tradex Limited	10710000	2	19.14	10710000	2	19.14
7	Jindal Stainless Limited	347945	2	5.07	347945	2	5.07
				3,659.79			3,659.79
Less : Provision for Doubtful Investments				(13.23)			(13.23)
SUB TOTAL B (a)				3,646.56			3,646.56
b) UNQUOTED							
1	Sun Investments Pvt. Ltd.	17000	10	1.70	17000	10	1.70
2	Rohit Tower Building Ltd.	2400	100	2.40	2400	100	2.40
3	Stainless Investments Ltd.	1025000	10	627.92	1025000	10	627.92
4	Mansarover Investments Ltd.	1085000	10	641.00	1085000	10	641.00
5	Jindal Equipment Leasing and Consultancy Services Ltd.	1320000	10	792.00	1320000	10	792.00
6	Jindal Overseas PTE Ltd.	153000	SGD 1	31.38	153000	SGD 1	31.38
7	Saraswat Co. Op. Bank	1000	10	0.10	1000	10	0.10
8	Brahmputra Capital & Financial Services Ltd.*	-	-	-	20869000	10	2,086.90
9	Midland Steel Processors Ltd.	200000	10	10.00	200000	10	10.00
10	PT Jindal Stainless Indonesia	100	US\$ 1	0.05	100	US\$ 1	0.05
11	Sonabheel Tea Limited	100	10	0.17	-	-	-
12	Hexa securities & Finance Limited	10	10	0.03	-	-	-
13	Groovy Trading Private Limited	10	10	0.94	-	-	-
14	Virtuous Tradecorp Pvt. Ltd.	8524	10	0.85	-	-	-
15	Sahyog Tradecorp Pvt. Limited	8524	10	0.85	-	-	-
16	Danta Enterprises Pvt. Limited	8524	10	0.85	-	-	-
17	OPJ Trading Pvt. Limited	8524	10	0.85	-	-	-
				2,111.09			4,193.45
LESS : PROVISION FOR DIMINUTION OF INVESTMENTS				(41.38)			(41.38)
SUB TOTAL B (b)				2,069.71			4,152.07
C 8% Non Cumulative Redeemable Preference Share Application Money							
Goswami Credits & Investment Limited		600000	100	600.00	-	-	-
Everplus Securities & Finance Limited		920000	100	920.00	-	-	-
SUB TOTAL (C)				1,520.00			-

Significant Accounting Policies and Notes to the Financial Statements

SR. NO.	DETAILS OF INVESTMENTS PARTICULARS	AS AT 31ST MARCH, 2014			AS AT 31ST MARCH, 2013		
		SHARES/ DEB./ BONDS (NOs.)	FACE & PAID UP VALUE PER SHARE/ DEB/ BOND	AMOUNT (₹In Lacs)	SHARES/ DEB./ BONDS (NOs.)	FACE & PAID UP VALUE PER SHARE/ DEB/ BOND	AMOUNT (₹In Lacs)
D	10% REDEMABLE CUMULATIVE PREFERENCE SHARES :						
1	Jindal Equipment Leasing and Consultancy Services Ltd.	110000	100	110.33	110000	100	110.33
	SUB TOTAL (D)			110.33			110.33
	G. TOTAL (A TO D)			19,117.98			17,511.66
	AGGREGATE VALUE OF QUOTED INVESTMENTS			3,646.56			3,646.56
	MARKET VALUE OF QUOTED INVESTMENTS			86,674.52			80,822.64
	AGGREGATE VALUE OF UNQUOTED INVESTMENTS			15,471.42			13,865.10

Note:-

- 1 45,48,637 (Previous Year 45,48,637) Equity Shares of JSW Steel Ltd. have been pledged with Bank/Financial Institution for financial assistance taken by other body corporate.
- 2 3,47,945 (Previous Year 3,47,945) shares of Jindal Stainless Limited have been pledged.
- 3* During the year, investment in equity share capital of Brahmaputra Capital & Financial Services Limited increased from 49% to 50.10% and hence it became the subsidiary of the company.

Note Particulars No.	As at	
	31st March, 2014	31st March, 2013
	(₹ in Lacs)	
8. Current Investments		
Investment in Mutual Fund - SBI Premier Liquid Fund	450.00	-
	450.00	-
9. CASH AND CASH EQUIVALENTS		
Cash-on-hand *	0.01	0.01
Balance with banks	-	-
In Current Account	56.26	5.18
Total Cash and cash Equivalents	56.27	5.19
* Cash in hand as on 31.03.2014 ₹876/- (as on 31.03.2013 ₹ 563/-)		
10. SHORT TERM LOANS AND ADVANCES		
a) Loans and advances to related party		
Unsecured		
Considered Doubtful	6.73	6.73
Less: Provision for Non Performing Assets	(6.73)	(6.73)
(Refer para 15-B of Note No. 15)	-	-
b) Loans and advances to others		
Unsecured		
Considered good	12,725.58	13,152.12
Considered Doubtful	578.74	578.74
Less: Provision for Doubtful Debts	(578.74)	(578.74)
Considered Non Performing Assets (Sub Standard)	1,791.11	1,791.11
Less: Provision for Sub Standard Assets	(179.11)	(179.11)
	14,337.58	14,764.12
c) Other Loans and Advances		
Loan to employees	-	0.14
Prepaid Taxes (Net of Provisions)	153.32	130.13
	153.32	130.27
Total Short Term Loans and Advances	14,490.90	14,894.39

Significant Accounting Policies and Notes to the Financial Statements

Note Particulars No.	For the year ended 31st March, 2014	(₹ in Lacs) For the year ended 31st March, 2013
11. REVENUE FROM OPERATIONS		
Interest Income	1,179.53	1,060.06
Dividend Income on Non-Current Investments	970.12	883.85
Profit/loss on Sale of Mutual Funds	9.26	-
Profit/loss on Sale of Long Term Investments	0.30	-
Total Revenue from operations	2,159.21	1,943.91
12. OTHER INCOME		
Provision for Standard Assets written back	1.07	-
Miscellaneous Receipt	0.01	0.14
Total Other Income	1.08	0.14
Total Revenue	2,160.29	1,944.05
13. EMPLOYEE BENEFIT EXPENSES		
Salary and wages	30.23	29.13
Contribution to provident and other fund	1.48	1.44
Total Employees Benefit Expenses	31.71	30.57
14. OTHER EXPENSES		
Rent	0.67	0.68
Rates and Taxes	0.63	-
Legal and professional Fees	7.94	11.24
Auditors' Remuneration	4.18	3.98
Postage and Telegrams	1.86	1.73
Printing and Stationery	2.47	2.06
Advertisements	1.80	1.79
Provision for Standard loans	-	0.65
Donation	1.21	8.50
Other Expenses	2.14	5.20
Total Other Expenses	22.90	35.83

NOTE NO - "15"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention as a going concern. The accounts have been prepared by adopting the accrual system of accounting and in accordance with directions prescribed by the Reserve Bank of India for Non Banking Financial Companies. Accounting Policies, not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles.

ii) Foreign Currency Transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rate.

The difference in translation of Monetary assets and liabilities and realized gains and losses on foreign exchange transaction are recognized in profit & loss account.

Foreign currency gain/loss relating to translation of net investment in non-integral foreign operation is recognized in the foreign currency translation reserve.

iii) Fixed Assets and Depreciation :

a) Fixed Assets

Fixed Assets are stated at their cost of acquisition less accumulated depreciation. Cost comprises of all cost, net of income (if any), incurred to bring the assets to their present location and working condition and other related overheads till such assets are ready for intended use.

b) Depreciation

Depreciation on Fixed Asset is provided on Straight Line Method basis at the rates and in manner specified in schedule XIV of the Companies Act, 1956.

iv) Investments:

Long term investments are stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit and Loss Account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments.

v) Retirement Benefits:

Defined Benefit Plans:

Leave Encashment and Gratuity are defined benefit plans. The Company has provided for the liability at the year end based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses are recognized as and when incurred.

vi) Taxation:

Provision is made for income-tax liability estimated to arise on the results for the year at the current rate of tax in accordance with Income-Tax Act, 1961.

Deferred tax resulting from timing differences between book profits and tax profits is accounted for, at the rate on the Balance Sheet date, to the extent that the timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable/virtual certainty that the assets can be realized in future.

2. Contingent Liabilities not provided for:

	(₹ In Lacs) Current Year	(₹ In Lacs) Previous Year
(i) For Income Tax matters against which company has preferred appeal	1474.33	731.85
(ii) Liability towards Corporate Guarantee to Bank against credit facilities availed by other Body Corporate	2122.50	2420.00

3. Appeals in respect of certain assessments of Income-Tax are pending and additional tax liabilities/refunds, if any, is not determinable at this stage. Adjustments for the same will be made after the same is finally determined.

4. Although the Fair Value of unquoted investments (amount not ascertained) is lower than the cost, considering the strategic and the long term nature of the investments and the asset base of the investee companies such decline, in the opinion of the management has been considered to be of temporary nature and hence not considered while valuing the same.

5. Loans and advances repayable on demand (other than those considered as non performing assets) includes Rs 9353.54 lacs (Previous year Rs 8174.71 lacs) due from various OP Jindal Group companies which currently have accumulated losses in their books. The Company has mechanism for review and monitoring of all such loans and is confident of recovering these amounts, which are considered good in nature, as and when called for payment. The Company would take necessary action for recovery of these amounts, if required.

Significant Accounting Policies and Notes to the Financial Statements

6. In the opinion of the Board, Value of all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
7. a) Provision for standard assets amounting to ₹Nil lacs has been made at 0.25% of the outstanding standard assets as at 31st March, 2014 in terms of Notification No. DNBS.222/CGM (US)-2011 dated 17-01-2011 issued by Reserve Bank of India.
- b) The Company has made adequate provision for the Non-Performing Assets identified. Accordingly provision for Sub-Standard and Doubtful assets is made with the guidelines issued by The Reserve Bank of India.
8. The company operates in single primary segment (i.e. investment and finance.)
9. (i) Provision for Non Performing Loans and Advances amounting to ₹Nil (previous year ₹179.11) on sub-Standard loans has been decided by the management considering prudential norms prescribed by the Reserve Bank of India as also financial health of the borrower was not good. The borrower has also approached the company to waive the interest due to the liquidity crisis. However, the borrower promises to pay principal amount of the loan after the outcome of Arbitration Proceeding, which is most likely to be in the favour of the borrower.
- (ii) Detail of provision for Non Performing Assets

	(₹ in Lacs) Current Year	(₹ in Lacs) Previous Year
Opening Balance	764.58	585.47
Add: Provision made during the year	-	179.11
Closing Balance	764.58	764.58

10. The Company has given loans to various companies, which are repayable on demand. During the year, interest on such loans has been serviced by converting into principal, and the same has also been acknowledged by the borrowers.
11. Investments as long term strategic investment in subsidiary companies in equity shares given as detailed below are exceeding the single exposure norms of 15% of owned fund of the Company as prescribed in terms of para 18 of "Non-Banking Financial (Non-deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, for which the Company has taken steps for appropriate exemption/dispensation from Reserve Bank of India consistent with the spirit of the exposure norms. For the purpose of exposure norm, the meaning of the group is taken as per erstwhile section 370(1B) of the Companies Act, 1956.

Name of the Company	Investment	(₹ in Lacs) % of Owned Fund
Jindal Holdings Limited	6100.66	17.91

12. The Board of Directors of the Company on 11th February, 2013 has decided to convert the company in Core Investment Company (CIC). The Necessary Correspondence is being pursued to the Reserve Bank of India (RBI).
13. Based on the information available with the Company regarding the status of the supplier under the Micro, Small and Medium Enterprises Development Act, 2006, no amount is due to Micro, Small and Medium Enterprises.

Significant Accounting Policies and Notes to the Financial Statements

14. As per Accounting Standard 15, "Employees Benefits" the disclosure as defined in the Accounting Standard are given below :

i) Defined Benefit Plan

(₹ In Lacs)

i) Defined Contribution/Benefit towards

Employer's Contribution to Provident Fund
Employer's Contribution to ESI

Current Year	Previous Year
1.40	1.36
0.09	0.03

Defined Benefit Plans

	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Current Service Cost	0.45	0.09	0.44	0.11
Interest Cost	0.45	0.12	0.31	0.16
Expected Return on Plan Assets	—	—	—	—
Actuarial (Gain)/Loss	(0.70)	0.09	0.27	(0.04)
Past Service Cost	—	—	—	—
Curtailement and settlement cost/credit	—	—	—	—
Net Cost	0.20	0.29	1.02	0.23
Actual Return on Plan Assets	N.A.	N.A.	N.A.	N.A.

ii) Change in Benefit Obligation

	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Present Value of obligation as at the beginning of the year	4.95	1.29	3.92	1.96
Current Service Cost	0.45	0.09	0.44	0.11
Interest Cost	0.45	0.12	0.31	0.16
Benefits Paid	—	(0.44)	—	(0.90)
Curtailement and settlement cost	—	—	—	—
Past Service Cost	—	—	—	—
Actuarial (Gain)/Loss	(0.70)	0.09	0.27	(0.04)
Present Value of obligation as at the end of year	5.15	1.15	4.95	1.29

iii) The assumptions used to determine the benefit obligations are follows :

	Current Year		Previous Year	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	9.00%	9.00%	8.00%	8.00%
Salary Escalation	5.25%	5.25%	5.25%	5.25%
Mortality	LIC 94-96 Ultimate			

15 Related Parties Transactions

A List of Related Parties & Relationship (As identified by the Management)

a) Parties where control exists :

Subsidiaries

Jindal Holdings Limited
Jindal Steel & Alloys Limited
Jindal Stainlelss (Mauritius) Limited
Brahmputra Capital & Financial Services Ltd. (w.e.f 26th February 2014)
Massillon Stainless Inc. U.S.A.

b) Associates

Brahmputra Capital & Financial Services Ltd. (upto 25th February 2014)

c) Key Management Personnel :

1. Sh. Mahender Kumar Goel Executive Director
2. Sh. Bhartendu Harit Company Secretary

Significant Accounting Policies and Notes to the Financial Statements

B Transactions Description	CURRENT YEAR				PREVIOUS YEAR				(₹ in Lacs)
	Subsidiaries	Key Management Personnel	Associates	Total	Subsidiaries	Key Management Personnel	Associates	Total	
Remuneration Paid									
Sh. Mahender Kumar Goel	-	15.74	-	15.74	-	14.89	-	14.89	
Sh. Bhartendu Harit	-	13.20	-	13.20	-	11.39	-	11.39	
	-	28.94	-	28.94	-	26.28	-	26.28	
Outstanding Balance as on 31.03.2014									
Loan Receivable									
Jindal Stainless (Mauritius) Limited	6.73	-	-	6.73	6.73	-	-	6.73	
	6.73	-	-	6.73	6.73	-	-	6.73	
Equity Investment Outstanding									
Jindal Holdings Limited	6,100.66	-	-	6,100.66	6,100.70	-	-	6,100.70	
Jindal Steel and Alloys Limited	3,501.93	-	-	3,501.93	3,502.00	-	-	3,502.00	
Jindal Stainless (Mauritius) Limited	4,938.99	-	-	4,938.99	4,938.99	-	-	4,938.99	
Brahmputra Capital & Financial Services Ltd.	2,168.79	-	-	2,168.79	-	-	2,086.90	2,086.90	
	16,710.37	-	-	16,710.37	14,541.69	-	2,086.90	16,628.59	
Provision outstanding for Non Performing Assets									
Jindal Stainless (Mauritius) Limited	6.73	-	-	6.73	6.73	-	-	6.73	
	6.73	-	-	6.73	6.73	-	-	6.73	
Provision outstanding for Diminution in Investments									
Jindal Stainless (Mauritius) Limited	4,938.99	-	-	4,938.99	4,938.99	-	-	4,938.99	
	4,938.99	-	-	4,938.99	4,938.99	-	-	4,938.99	

16 Earning Per Share (EPS) computed in accordance with Accounting Standard 20 "Earning Per Share".

	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Basic and Diluted EPS :-		
Profit/(Loss) after tax attributable to Equity Shareholders	1,732.80	1,412.82
No. of Shares outstanding	5,136,163	5,136,163
Basic and Diluted EPS (in ₹)	33.74	27.51

17 DEFERRED TAX LIABILITY/(ASSET) (NET)

Particulars	Deferred Tax Liability/(Asset) 31.03.2013	Current Year charge/credit	(₹ in Lacs)
			Deferred Tax Liability/(Asset) 31.03.2014
A) Deferred Tax Liability			
Difference between book & tax depreciation	0.08	(0.01)	0.07
Total Deferred Tax Liability - A	0.08	(0.01)	0.07
B) Deferred Tax Assets			
1 Disallowance under Income Tax Act, 1961	2.02	0.12	2.14
2 Provision for doubtful debts & advances	172.22	26.78	199.00
3 Provision for standard and sub standard assets	68.78	2.91	71.69
Total Deferred Tax Assets - B	243.02	29.81	272.83
Deferred Tax Liability (Assets) (Net) (A-B)	(242.94)	(29.82)	(272.76)

Significant Accounting Policies and Notes to the Financial Statements

- 18 As per the requirement of clause 32 of the listing agreement, the following are the details of Loans and advances of the Company outstanding at the year end and maximum amount outstanding.

PARTICULARS	(₹ in Lacs)			
	Outstanding amount as at the year end		Maximum Amount outstanding during the year	
	Current Year	Previous Year	Current Year	Previous Year
Loan and Advances to Subsidiaries				
Jindal Stainless (Mauritius) Ltd.*	6.73 **	6.73 **	6.73	6.73
	6.73	6.73		
Loan and advances where there is no repayment schedule				
Nalwa Metal and Alloys Limited *	54.66 **	54.66 **	54.66	54.66
Mansarover Investments Ltd.	3,132.96	3,414.93	3549.13	3,622.63
Jindal Equipment Leasing & Consultancy Services Ltd.	1,594.25	1,178.71	1594.25	1,178.71
Everplus Securities & Finance Ltd.	3,245.98	2,689.09	3277.09	2,689.09
Renuka Financial Services Limited	2,205.68	2,663.73	2683.71	2,663.73
Goswamis Credits & Investment Ltd.	768.92	821.14	922.14	821.14
Gagan Trading Co. Ltd.*	7.45 **	7.45 **	7.45	7.45
JSW Steel Ltd.*	516.63 **	516.63 **	516.63	516.63
JSL Lifestyle Ltd.	1,391.87	1,759.78	1624.91	1,759.78
Green Delhi BQS Limited	1,791.11 ***	1,791.11 ***	1791.11	1,797.11
Ganga Ferro Alloys Private Limited	-	240.98	240.98	364.00
Om Savitri Jindal Charitable Trust	100.00	100.00	100.00	100.00
Abhinandan Investments Limited	285.92	283.78	518.78	289.00
	15,095.43	15,521.97		

* Provision for Non Performing Assets in doubtful category of 100% provided for. ₹585.47 lacs (Previous year ₹585.47 lacs)

** No Interest charged

*** Provision for Sub-Standard Assets provided for ₹179.11 lacs (Previous year ₹179.11)

- 19 (A) Auditors Remuneration includes the following

	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Payment to Auditors		
Audit Fee	2.14	2.14
Tax Audit Fee	0.11	0.11
Certification Work etc.	1.93	1.73
	4.18	3.98

- (B) Directors' Remuneration includes the followings:

	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Salary including allowance	14.99	14.16
Contribution to Provident Fund etc.	0.75	0.73
	15.74	14.89

As per our report of even date attached
For **N. C. AGGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 003273N

(G.K. AGGARWAL)
Partner
Membership No. 086622

Place : Hisar
Date : 30th May, 2014

MAHENDER KUMAR GOEL
Executive Director & CEO
(DIN 00041866)

RAKESH GARG
Director
(DIN 00038580)

RAJINDER PARKASH JINDAL
Director
(DIN 00004594)

BHARTENDU HARIT
Company Secretary

NBFC Schedule

Schedule to the Balance Sheet of a non-deposit taking non-banking Financial Company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

For the year ended 31.03.2014

(₹ In lacs)

Particulars

Particulars	Amount outstanding	Amount overdue
Liabilities side :		
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
	-	-
* Please see Note 1 below		
Assets side :		
		Amount outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		-
(b) Unsecured		15,102.17
(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		-
(b) Operating lease		-
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		-
(b) Repossessed Assets		-
(iii) Others loans counting towards AFC activities :		
(a) Loans where assets have been repossessed		-
(b) Loans other than (a) above		-
(4) Break-up of Investments (Net of Provisions)		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		450
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
Long Term Investments :		
1. Quoted :		
(i) Shares : (a) Equity		3,646.56
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

NBFC Schedule

2. Unquoted :

(i) Shares : (a) Equity	13,841.09
(b) Preference	110.33
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Non Cumulative Redeemable Preference Share Application Money	1,520.00

(5) Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	14,337.58	14,337.58
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	14,337.58	14,337.58

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see Note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	11,657.51	11,771.38
(b) Companies in the same group	90,259.89	7,346.50
(c) Other related parties	-	-
2. Other than related parties	0.10	0.10
Total	101,917.51	19,117.98

** As per Accounting Standard of ICAI (Please see Note 3)

(7) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	2,321.92
(b) Other than related parties	54.66
(ii) Net Non-Performing Assets	
(a) Related parties	1,612.00
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 .
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 .
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date attached

For **N. C. AGGARWAL & CO.**

Chartered Accountants

Firm Regn. No. 003273N

(G. K. AGGARWAL)

Partner

Membership No. 086622

Place : Hisar

Date : 30th May, 2014

MAHENDER KUMAR GOEL

Executive Director & CEO

(DIN 00041866)

RAKESH GARG

Director

(DIN 00038580)

RAJINDER PARKASH JINDAL

Director

(DIN 00004594)

BHARTENDU HARIT

Company Secretary

NBFC Schedule

Additional Disclosures by a Systemically Important Non-Deposit taking Non-Banking Financial Company as required by Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1) Capital to Risk Assets Ratio (CRAR)

Items	Current Year	Previous Year
i CRAR (%)	306.13%	469.69%
ii CRAR - Tier I Capital (%)	306.13%	469.69%
iii CRAR - Tier II Capital (%)	Nil	Nil

2) Exposure to Real Estate Sector

Category	Current Year	Previous Year
(a) Direct Exposure		
(i) Residential Mortgages:-	Nil	Nil
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (Individual housing loans upto Rs.15 Lacs to be shown separately)		
(ii) Commercial Real Estate:-	Nil	Nil
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits:		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:-		
(a) Residential	Nil	Nil
(b) Commercial Real Estate	Nil	Nil
(b) Indirect Exposure:-		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

(` in Lacs)

3) Capital to Risk Assets Ratio (CRAR)

	"1day to 30/31 days one month"	"Over 1month to 2 months"	"Over 2 months upto 3 months"	"Over 3 months to 6 months"	"Over 6 months to 1 year"	"Over 1 year to 3 years"	"Over 3 years to 5 years"	"Over 5 years"	Demand Loans	Total
Liabilities:										
Borrowings from banks	-	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-
Assets:										
Advances (net of NPA's Provisions)	-	-	-	-	-	-	-	-	14,337.58	14,337.58
Investments (net of Provision)	-	-	-	-	-	-	-	19,117.98	-	19,117.98

For N. C. AGGARWAL & CO.

Chartered Accountants
Firm Registration No. 003273N

(G. K. Aggarwal)
Partner
M. No. 086622

MAHENDER KUMAR GOEL
Executive Director & C.E.O.
(DIN 00041866)

RAJINDER PARKASH JINDAL
Director
(DIN 00004594)

Place : Hisar
Dated : 30th May, 2014

RAKESH GARG
Director
(DIN 00038580)

BHARTENDU HARIT
Company Secretary

Cash Flow Statement For The Year Ended 31st March, 2014

PARTICULARS	2013-14 (₹ in lacs)		2012-13 (₹ in lacs)	
A) Cash Inflow (Outflow) from the operating activities				
Net Profit before Tax		2,105.59		1,698.45
Adjustments for :-				
Depreciation		0.09		0.09
Dividend Income		(970.12)		(883.85)
Interest Income		(1,179.53)		(1,060.06)
Net Gain/loss on Sale of Mutual Funds/Investment		(9.56)		-
Provision for Sub-Standard Assets		-		179.11
Provision for Standard Assets Written Back		(1.07)		
Provision for Standard Assets		(2,160.19)		0.65 (1,764.06)
Operating Profit Before Working Capital Changes		(54.60)		(65.61)
Adjustments for :-				
(Increase)/Decrease in Loans & Advances		426.68		(2,052.23)
Other Current Assets		-		-
Increase/(Decrease) in current Assets		-		-
Current Liabilities & Provisions		1.90	428.58	(11.55) (2,063.78)
Cash Generated from Operation		373.98		(2,129.39)
Direct Taxes Refund /(Paid)		(425.79)		(381.25)
Net Gain/loss on Sale of Mutual Funds		9.56		-
Interest Received		1,179.53		1,060.09
Dividend Received		970.12	1,733.42	1,409.10 2,087.94
Net Cash Outflow from Operating Activities		2,107.40		(41.45)
B) Cash Inflow/(Outflow) from Investment Activities				
Purchase Of Investment		(2,056.32)		-
Net Cash Inflow from Investment Activities		(2,056.32)		-
C) Cash Inflow/(Outflow) from Financing Activities				
Dividend paid		-		-
Net Cash Inflow/(Outflow) from Financing Activities		-		-
Net Changes in Cash and Cash Equivalent		51.08		(41.45)
Cash and Cash equivalent (Opening Balance)		5.19		46.64
Cash and Cash equivalent (Closing Balance)		56.27		5.19

NOTE :-

1. Cash and Cash Equivalent includes Cash and Bank Balances only.
2. Previous year's figures have been regrouped wherever necessary

As per our report of even date attached
For **N. C. AGGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 003273N

(G.K. AGGARWAL)
Partner
Membership No. 086622

Place : Hisar
Date : 30th May, 2014

MAHENDER KUMAR GOEL
Executive Director & CEO
(DIN 00041866)

RAKESH GARG
Director
(DIN 00038580)

RAJINDER PARKASH JINDAL
Director
(DIN 00004594)

BHARTENDU HARIT
Company Secretary

Statement pursuant to section 212 of the Companies Act, 1956, relating to company's interest in Subsidiary Companies

(₹ In Lacs)

S. No.	Particulars	Bharmputra Capital & Financial Services Limited*	Jindal Holdings Limited	Jindal Steel & Alloys Limited	Jindal Stainless (Mauritius) Limited	Massillon Stainless Inc., U.S.A.
a)	Holding Company's Interest	Holder of 21337490 Equity Shares of ₹10/- each out of the subscribed capital of 42590000 Equity Shares of ₹10/-	Holder of 16085665 Equity Shares of ₹10/- each out of the subscribed capital of 18499820 Equity Shares of ₹10/-	Holder of 7019860 Equity Shares of ₹10/- each out of the subscribed capital of 7020000 Equity Shares of ₹10/-	Holder of 10700000 Equity Shares of US \$ 1 each out of the subscribed capital of 10700000 Equity Shares of US \$ 1 out of the subscribed	Jindal Stainless (Mauritius) Limited a Subsidiary of the company (NSIL) is holding 61 Equity Shares of US \$ 500 capital of 100 Equity Shares of US \$ 500
b)	Financial year of the company ended	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
c)	Net aggregate amount of subsidiary company's profit/(loss) not dealt within the company's Account	(₹In lacs)	(₹In lacs)	(₹In lacs)	US \$	US \$
	i) for the subsidiary company's financial year ended 31st March, 2014	(1.41)	407.11	773.75	(20,636.00)	-
	ii) for the subsidiary company's previous financial periods, since it became the holding company's subsidiary	-	721.57	5,516.41	(10,775,129.00)	(19,482,085.10)
d)	Net aggregate amount of the subsidiary company's profit/(loss) dealt within the company's Account.					
	i) For the subsidiary company's financial period ended 31st March, 2014	Nil	Nil	Nil	Nil	Nil
	ii) For the subsidiary Company's previous financial period since it became the holding Company's subsidiary	Nil	Nil	Nil	Nil	Nil
e)	As the financial year of the above subsidiary companies coincides with the financial year of the holding Company section 212(5) of the Companies Act, 1956 is not applicable.	N.A.	N.A.	N.A.	N.A.	N.A.

*Associate upto 25th February, 2014 and become subsidiary w.e.f 26th February, 2014.

MAHENDER KUMAR GOEL
Executive Director & CEO
(DIN 00041866)

RAJINDER PARKASH JINDAL
Director
(DIN 00004594)

RAKESH GARG
Director
(DIN 00038580)

BHARTENDU HARIT
Company Secretary

Place: Hisar
Date : 30th May, 2014

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF NALWA SONS INVESTMENTS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NALWA SONS INVESTMENTS LIMITED, IT'S SUBSIDIARIES,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Nalwa Sons Investments Limited (the Company) and its subsidiary (collectively referred as the Group) which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter:-

- i) The policy for demand loans given by the company as to the repayment, interest servicing and monitoring of the loans needs to be strengthened in line with "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" – (Refer Para No. 12 of Note No. 24 to the Financial Statements).
- ii) Investment as long term strategic investments in subsidiaries companies in equity shares exceeds the single exposure norms of "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007", for which company has pursued appropriate exemption/dispensation from Reserve Bank of India – (Refer Para No. 13 of Note No. 24 to the Financial Statements).

Opinion

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on the financial statement of the subsidiary and unaudited financial statement of two subsidiaries, referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow statement, of the consolidated cash flows of the Group for the year ended on that date.

Other Matter

- a) We did not audit the financial statement of subsidiaries Jindal Steel & Alloys Limited and Jindal Stainless (MAURITIUS) Limited whose financial statement reflect total assets as at 31st March, 2014 of ₹7360.53Lacs, total revenues of ₹1069.34Lacs and net cash inflow of ₹21.06 lacs (before adjustments on consolidation). These financial statements have been audited by other auditor of the company whose report has been furnished to us for the purpose of consolidation and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of other auditor.
- b) We did not audit the financial statements of subsidiary Bharamputra Capital and Financial Services Limited whose unaudited financial statements reflect total assets of ₹4010.37lacs as at 31st March, 2014, total revenue of ₹Nil and net cash outflow of ₹215.36 lacs (before adjustment on consolidation). The said financial statements, which were furnished to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far as it relates to amounts considered in the consolidated financial statement for the reason as stated above.

For & on behalf of
N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G.K. Aggarwal
Partner
Membership No. 086622

Place: Hisar

Dated: 30th May, 2014

Consolidated Balance Sheet As At 31st March, 2014

Particulars	Note No	As at 31st March, 2014 (` In Lacs)	As at 31st March, 2013 (` In Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	513.62	513.62
(b) Reserves and Surplus	2	30,711.71	36,874.28
Minority Interest		3,150.72	1,103.18
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	2,970.04	2,682.58
(b) Long term provisions	4	5.75	5.82
(3) Current Liabilities			
(a) Short-term borrowings	5	1.55	-
(b) Trade payables	6	872.39	789.50
(c) Other current liabilities	7	209.02	184.20
(d) Short-term provisions	8	42.42	37.01
Total		38,477.22	42,190.19
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
Tangible assets	9	0.64	0.73
(b) Non-current investments	10	14,629.74	21,661.07
(c) Deferred tax assets (net)	11	272.76	242.94
(d) Long term loans and advances	12	3,440.00	-
(2) Current Assets			
(a) Current Investments	13	450.00	-
(b) Inventories	14	564.72	727.21
(c) Trade receivables	15	312.09	474.07
(d) Cash and Cash Equivalents	16	149.79	47.19
(e) Short-term loans and advances	17	18,657.48	19,036.22
(f) Other current assets	18	-	0.76
Total		38,477.22	42,190.19
Significant Accounting Policies and Notes to the Financial Statements	24		

As per our report of even date attached

For N. C. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 003273N

(G. K. Aggarwal)

Partner

M. No. 086622

MAHENDER KUMAR GOEL

Executive Director & C.E.O.

(DIN 00041866)

RAJINDER PARKASH JINDAL

Director

(DIN 00004594)

Place : Hisar

Dated : 30th May, 2014

RAKESH GARG

Director

(DIN 00038580)

BHARTENDU HARIT

Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2014

Particulars	Note No	For the Year Ended 31st March, 2014 (` In Lacs)	For the Year Ended 31st March, 2013 (` In Lacs)
I. Revenue from operations	19	3,676.82	3,133.18
Total Revenue from operations		3,676.82	3,133.18
II. Other Income	20	2.80	0.65
III. Total Revenue (I +II)		3,679.62	3,133.83
IV. Expenses:			
Changes in inventories of Stock-in-Trade	21	-	-
Employees benefit expenses	22	31.71	30.57
Depreciation and amortisation expense		0.09	0.09
Other expenses	23	41.20	44.62
Provision for Sub Standard Assets		-	179.11
Total Expenses		73.00	254.39
V. Profit before tax (III - IV)		3,606.62	2,879.44
VI. Tax expense:			
Current tax		720.14	596.78
Deferred tax		(29.82)	(58.45)
Previous year tax adjustment		(0.59)	-
Mat credit entitlement		15.68	0.25
VII. Profit for the year (V-VI)		2,901.21	2,340.86
Add: Minority Interest in (Profit)/Loss		(50.77)	(43.85)
Add: Share of Loss of Associates		(0.43)	(2.84)
Profit After Taxation and Minority Interest		2,850.01	2,294.17
VIII. Earning per equity share (in Rs.):			
Basic		55.49	44.67
Diluted		55.49	44.67
Significant Accounting Policies and Notes to the Financial Statements	24		

As per our report of even date attached

For N. C. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 003273N

(G. K. Aggarwal)

Partner

M. No. 086622

MAHENDER KUMAR GOEL

Executive Director & C.E.O.

(DIN 00041866)

RAJINDER PARKASH JINDAL

Director

(DIN 00004594)

Place : Hisar

Dated : 30th May, 2014

RAKESH GARG

Director

(DIN 00038580)

BHARTENDU HARIT

Company Secretary

Consolidated Notes to the Financial Statements

Note No.	Particulars	(` in Lacs)	
		As at 31st March, 2014 (` In Lacs)	As at 31st March, 2013 (` In Lacs)
1	SHARE CAPITAL		
	Authorized		
	150,00,000 Equity Shares of ` 10/- each	1,500.00	1,500.00
	Issued, Subscribed and Fully Paid-Up	1,500.00	1,500.00
	51,36,163 (previous year 51,36,163) Equity Shares of ` 10/- each	513.62	513.62
	Total Share Capital	513.62	513.62
	(a) Reconciliation of the number of shares:		
	Equity Shares		
	Shares outstanding as at the beginning of the year	5,136,163	5,136,163
	Shares outstanding as at the end of the year	5,136,163	5,136,163

(b) Details of shareholders holding more than 5% shares in the company:

Name of the Shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% holding	No. of Shares	% holding
Jindal Equipment Lease and Cons Services Ltd.	-	-	311,393	6.06
Sun Investment Ltd.	-	-	504,738	9.83
Vrindavan Services Pvt. Ltd.	-	-	268,565	5.23
Hexa Securities and Finance Co. Ltd.	-	-	267,723	5.21
Groovy Trading Pvt. Ltd.	-	-	488,611	9.51
Ricky Ishwardas Kirplani	405,561	7.90	405,511	7.90
Keshwani Haresh	304,830	5.93	304,830	5.93
Danta Enterprises Private Limited	571,386	11.12	-	-
Sahyog Tradcorp Private Limited	571,386	11.12	-	-
Virtuous Tradecorp Private Limited	571,385	11.12	-	-
OPJ Trading Private limited	571,386	11.12	-	-
Total	2,995,934	58.31	2,551,371	49.67

(c) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ` 10/- per equity share. Each equity shareholder is entitled to one vote per share.

Consolidated Notes to the Financial Statements

Note No.	Particulars	As at 31st March, 2014 (` In Lacs)	As at 31st March, 2013 (` In Lacs)
2	RESERVES AND SURPLUS		
a)	Securities Premium Account		
	As per Last Account	3,004.20	3,004.20
	Closing Balance	3,004.20	3,004.20
b)	General Reserve		
	As per Last Account	7,693.28	7,693.28
	Closing Balance	7,693.28	7,693.28
c)	Capital Reserve		
	Demerger Account as per scheme of Arrangement and Demerger	17,276.90	17,276.90
	Closing Balance	17,276.90	17,276.90
d)	Capital Reserve on Consolidation		
	As per Last Account	326.55	364.39
	Closing Balance	326.55	364.39
e)	Foreign Currency Translation Reserve		
	As per Last Account	(571.78)	(367.31)
	Add: During the Year	(361.90)	(204.47)
	Closing Balance	(933.68)	(571.78)
f)	Statutory Reserve		
	As per Last Account	2,082.60	1,732.85
	Add: Transfer from Surplus in Profit and Loss	427.99	349.75
	Add: Reserve on the date of becoming Subsidiary	15.30	-
	Closing Balance	2,525.89	2,082.60
g)	Surplus in Profit and Loss Account		
	Balance as per last financial statements	7,024.70	5,080.27
	Cessation of Associate	166.65	-
	Accumulated Loss on the date of Becoming subsidiary	(145.41)	-
	Less: Carrying value of Share Transferred from Non Current investments	(7,925.19)	-
	Less: Carrying value of Share Transferred from (increase)/decrease in stock	(727.21)	-
	Less: Holding Co.'s Share in Pre-Aquisition Losses tfd to Goodwill	3.01	-
	Add: Profit after tax transferred from Statement of Profit and Loss	2,850.01	2,294.17
	Less: Transfer to Statutory reserve	(427.99)	(349.75)
	Balance in Profit and Loss Account Carried Forward	818.57	7,024.70
	Total Reserves and Surplus	30,711.71	36,874.28
3	LONG-TERM BORROWINGS		
	Unsecured Long term borrowings		
	Working Capital Revolving Facility From Shareholders	2,854.74	2,583.49
	From Others	115.30	99.09
	Total Long Term Borrowings	2,970.04	2,682.58
4	LONG-TERM PROVISIONS		
	Provision for Gratuity	5.15	4.95
	Provision for Leave Encashment	0.60	0.87
	Total Long Term Provisions	5.75	5.82

Consolidated Notes to the Financial Statements

Note No.	Particulars	As at 31st March, 2014 (` In Lacs)	As at 31st March, 2013 (` In Lacs)
5	SHORT-TERM BORROWINGS		
	Loan From Body Corporate	1.55	-
		1.55	-
6	TRADE PAYABLES		
	Trade Payables	872.39	789.50
	Total Trade Payables	872.39	789.50
7	OTHER CURRENT LIABILITIES		
a)	Interest Accrued and due	1.09	1.09
b)	Other Payables		
	Statutory Dues	1.28	3.99
	Dues to Employees	2.85	2.78
	Other outstanding liabilities	203.80	176.34
	Total Other Current Liabilities	209.02	184.20
8	SHORT TERM PROVISIONS		
	Provision for Leave Encashment	0.55	0.41
	Provision for Standard Assets (Refer Para No. 8 of Note No.24)	41.87	36.60
	Total Short Term Provisions	42.42	37.01

(` in Lacs)

Note No.	Particulars	Gross Block				Depreciation			Net Block		
		As At 01.04.13	Additions During The Year	Sales/Trfd. During The Year	Total as on 31.03.14	As on 01.04.13	During the Year	Written Back	Total as on 31.03.14	As on 31.03.14	As on 31.03.13
9	FIXED ASSETS										
	Furniture and Fixture	1.14	-	-	1.14	0.64	0.07	-	0.71	0.43	0.50
	Other Assets	0.41	-	-	0.41	0.18	0.02	-	0.20	0.21	0.23
	Total	1.55	-	-	1.55	0.82	0.09	-	0.91	0.64	0.73
	Previous Year	1.55	-	-	1.55	0.73	0.09	-	0.82	0.73	

Consolidated Notes to the Financial Statements

(` in Lacs)

Note No.

10 NON CURRENT INVESTMENTS	AS AT 31ST MARCH, 2014			AS AT 31ST MARCH, 2013		
	NO. OF SHARES	FACE & PAID UP VALUE PER SHARE	AMOUNT (` In Lacs)	NO. OF SHARES	FACE & PAID UP VALUE PER SHARE	AMOUNT (` In Lacs)
A Non Trade Investments						
In Associates						
1 Brahmputra Capital & Financial Services Ltd.*	-	-	-	20869000	10	2068.90
Add: Share of Post Acquisition Profit						166.22
Sub Total (A)						1920.68
B LONG TERM-OTHER THAN TRADE - IN EQUITY SHARES						
I QUOTED						
1 Jindal Saw Ltd.	53550000	2	330.70	53550000	2	330.70
2 Shalimar Paints Ltd.	1372590	2	135.32	274518	10	135.32
3 JSW Steel Ltd.	4548637	10	1986.90	4548637	10	1986.90
4 Jindal South West Holdings Ltd.	1137145	10	1182.65	1137145	10	1182.65
5 JSW Energy Ltd.	370	10	0.01	370	10	0.01
6 Hexa Tradex Limited	10710000	2	19.14	10710000	2	19.14
7 Jindal Stainless Limited	347945	2	5.07	347945	2	5.07
8 JSW Steel Ltd. *				4206079	10	7925.20
			3659.79			11584.99
Less : Provision for Doubtful Investments			13.23			13.23
SUB TOTAL B(I)			3646.56			11571.76
II UNQUOTED						
1 Sun Investments Pvt. Ltd.	17000	10	1.70	17000	10	1.70
2 Rohit Tower Building Ltd.	2400	100	2.40	2400	100	2.40
3 Stainless Investments Ltd.	1025000	10	627.92	1025000	10	627.92
4 Mansarover Investments Ltd.	1385000	10	851.00	1385000	10	851.00
5 Jindal Equipment Leasing and Consultancy Services Ltd.	1820000	10	1142.00	1820000	10	1142.00
6 Jindal Overseas PTE Ltd.	153000	SGD 1	31.38	153000	SGD 1	31.38
7 Saraswat Co. Op. Bank	1000	10	0.10	1000	10	0.10
8 Midland Steel Processors Ltd.	200000	10	10.00	200000	10	10.00
9 PT Jindal Stainless Indonesia	100	US\$ 1	0.05	100	US\$ 1	0.05
10 Sonabheel Tea Limited	100	10	0.17	-	-	-
11 Hexa securities & Finance Limited	10	10	0.03	-	-	-
12 Groovy Trading Private Limited	10	10	0.95	-	-	-
13 Virtuous Tradecorp Pvt. Ltd.	8524	10	0.85	-	-	-
14 Sahyog Tradecorp Pvt. Limited	8524	10	0.85	-	-	-
15 Danta Enterprises Pvt. Limited	8524	10	0.85	-	-	-
16 OPJ Trading Pvt. Limited	8524	10	0.85	-	-	-
17 Goswamis Credit & Investments Limited	1600000	10	160.00	1600000	10	160.00
18 Renuka Financial Services Limited	2500000	10	250.00	2500000	10	250.00
19 Manjula Finances Limited	1400000	10	140.00	1400000	10	140.00
20 Everplus Securities & Finance Limited	1750000	10	175.00	1750000	10	175.00
21 Vrindavan Services Pvt. Ltd.	710000	10	426.00	710000	10	426.00

Consolidated Notes to the Financial Statements

		AS AT 31ST MARCH, 2014			AS AT 31ST MARCH, 2013		
		NO. OF SHARES	FACE & PAID UP VALUE PER SHARE	AMOUNT ([₹] In Lacs)	NO. OF SHARES	FACE & PAID UP VALUE PER SHARE	AMOUNT ([₹] In Lacs)
22	Wachovia Investments Pvt. Ltd.	77505	100	77.50	77505	100	77.50
23	Aras Overseas Pvt. Ltd.	82500	100	82.50	82500	100	82.50
24	Baltimore Trading Pvt. Ltd.	119600	100	119.60	119600	100	119.60
25	Musuko Trading Pvt. Ltd.	150225	100	150.23	150225	100	150.23
26	Kamshet Investments Pvt. Ltd.	173300	100	173.30	173300	100	173.30
27	Jindal Overseas PTE Limited	153000	\$1	4.88	153000	\$1	4.88
				4430.11			4425.56
Less: Provision for Diminution in value of Investment				46.26			46.26
SUB TOTAL B(II)				4383.85			4379.30
C 10% Redemable Cumulative Preference Shares:							
1	Jindal Equipment Leasing and Consultancy Services Ltd.	110000	100	110.33	110000	100	110.33
SUB TOTAL (C)				110.33			110.33
D 8% Redemable Non Cumulative Non Convertible Preference Shares:							
Baltimore Trading Pvt Limited		140000	100	140.00	140000	100	140.00
Vrindavan Services Pvt Limited		1990000	10	199.00	1990000	10	199.00
Musuko Trading Pvt Limited		190000	100	190.00	190000	100	190.00
JSW Investments Pvt Limited		13500000	10	1350.00	13500000	10	1350.00
8% Cumulative Optionally Convertible Preference Shares							
JSW Investments Pvt Limited		18000000	10	1800.00	18000000	10	1800.00
SUB TOTAL (D)				3679.00			3679.00
E 8% Non Cumulative Redeemable Preference Share Application Money							
1	Goswami Credits & Investment Limited	600000	100	600.00	-	-	-
2	Everplus Securities & Finance Limited	920000	100	920.00	-	-	-
3	Manjula Finances Limited	600000	100	600.00	-	-	-
4	Renuka Financial Services Limited	690000	100	690.00	-	-	-
SUB TOTAL (E)				2810.00			-
Total Non Current Investments				14629.74			21661.07
Market Value of Quoted Investment				86674.52			109102.21

1. 45,48,637 (Previous Year 68,48,637) Equity Shares of JSW Steel Limited have been pledged with a Financial Institution, for financial assistance taken by other body corporate.

2. 3,47,945 (Previous Year 3,47,945) shares of Jindal Stainless Limited have been pledged.

3.*During the year, investment in equity share capital of Brahma Putra Capital & Financial Services Limited increased from 49% to 50.10% and hence it became the subsidiary of the company.

Consolidated Notes to the Financial Statements

Note No.	Particulars	As at 31st March, 2014 (` In Lacs)	As at 31st March, 2013 (` In Lacs)
11	DEFERRED TAX ASSET (NET)		
A)	Deferred Tax Liability	0.07	0.08
	Difference between book and tax depreciation	0.07	0.08
	Total Deferred Tax Liability-A		
B)	Deferred Tax Assets		
1	Disallowance under Income Tax Act, 1961	2.14	2.02
2	Provision for doubtful debts and advances	259.88	230.33
3	Provision for standard and Sub standard assets	10.81	10.67
	Total Deferred Tax Assets-B	272.83	243.02
	DEFERRED TAX ASSET (NET) (B-A)	272.76	242.94
12	LONG TERM LOANS & ADVANCES		
	Loan to Body Corporate		
	- Unsecured, considered good	3,440.00	-
	- Considered Doubtful	570.53	-
	Less: Provision for Doubtful Debts	(570.53)	-
		3,440.00	-
13	Current Investments		
	Investment in Mutual Fund -SBI Premier Liquid Fund	450.00	-
	Total Current Investments	450.00	-
14	INVENTORIES		
	(As taken, valued and certified by management)		
	(At Lower of Cost and net realisable value unless otherwise stated)		
	Stock In Trade- Shares/ Debentures (At Cost)	564.72	727.21
	Total Inventories	564.72	727.21
15	TRADE RECEIVABLES		
	Unsecured		
	Exceeding Six Months		
	Considered Good	219.28	198.44
	Others		
	Considered Good	92.81	275.63
	Total Trade Receivables	312.09	474.07
16	CASH AND CASH EQUIVALENTS		
	Balances with banks		
	-In current accounts	149.40	38.55
	Cash-on-hand	0.39	0.39
	Fixed Deposits (Maturing within three months)	-	8.25
	Total Cash and Cash Equivalents	149.79	47.19

Consolidated Notes to the Financial Statements

Note No.	Particulars	As at 31st March, 2014 (` In Lacs)	As at 31st March, 2013 (` In Lacs)
17	SHORT TERM LOANS AND ADVANCES		
	a) Loans to Body Corporates		
	- Unsecured, considered good	16,749.78	17,154.14
	- Unsecured, considered Doubtful	578.74	1,156.01
	Less: Provision for Doubtful Debts	(578.74)	(1,156.01)
	- Considered Non Performing Assets (Sub Standard)	1,791.11	1,791.11
	Less: Provision for Sub Standard Assets	(179.11)	(179.11)
		18,361.78	18,766.14
	b) Other Loans and Advances		
	Loan to Employees	0.90	0.13
	MAT Credit Entitlement	12.16	26.70
	Prepaid Taxes (Net of Provisions)	282.64	243.25
	Total Short Term Loans and Advances (a+b)	295.70	270.08
		18,657.48	19,036.22
18	OTHER CURRENT ASSETS		
	Other Receivable	-	0.76
	Total Other Current Assets	-	0.76

Consolidated Notes to the Financial Statements

Note No.	Particulars	For the Year Ended 31st March, 2014 (` In Lacs)	For the Year Ended 31st March, 2013 (` In Lacs)
19	REVENUE FROM OPERATIONS		
a)	Interest Income	1,659.24	1,454.79
b)	Dividend Income on Non Current Investments	1,405.18	1,062.19
c)	Dividend Income on Current Investments	52.84	191.20
d)	Income from Consultancy	550.00	425.00
e)	Net Gain/ (loss) on Sale of Investments	0.30	-
f)	Net Gain/ (loss) on Sale of Mutual Funds	9.26	-
	Total Revenue from operations	3,676.82	3,133.18
20	OTHER INCOME		
a)	Miscellaneous Receipt	0.01	0.13
b)	Provision for Standard Assets Written Back	2.79	-
c)	Provision for Doubtful Debts Written Back	-	0.52
	Total Other Income	2.80	0.65
	Total Revenue	3,679.62	3,133.83
21	CHANGE IN INVENTORIES OF STOCK IN TRADE		
	Opening Stock		
	In Equity Shares	727.21	727.21
		727.21	727.21
	Add:-Stock from Subsidiary as on date of becoming Subsidiary	564.72	-
	Less:-Carrying Amount of Shares transferred to Surplus in Profit and Loss (refer para no. 15 of Note to accounts no. 24)	727.21	-
	Closing Stock		
	In Equity Shares	564.72	727.21
		564.72	727.21
	NET (INCREASE)/DECREASE IN STOCK	-	-
	Total (Increase)/Decrease in Stock	-	-
22	EMPLOYEE BENEFIT EXPENSES		
	Salary and wages	30.23	29.13
	Contribution to provident and other fund	1.48	1.44
	Total Employee Benefit Expenses	31.71	30.57

Consolidated Notes to the Financial Statements

Note No.	Particulars	For the Year Ended 31st March, 2014 (` In Lacs)	For the Year Ended 31st March, 2013 (` In Lacs)
23	OTHER EXPENSES		
	Administrative, Selling and Other Expenses		
	Rent	0.95	0.94
	Rates and Taxes	0.63	0.15
	Legal and professional	18.58	13.53
	Auditors' Remuneration	5.68	5.37
	Postage and Telephone	1.86	1.73
	Printing and Stationery	2.47	2.05
	Advertisement	1.80	1.79
	Director Meeting Fees	-	1.06
	Fees and Subscription	0.21	-
	Interest on Loan	3.40	0.73
	Provision for Standard Assets	-	2.42
	Bank Charges	0.05	0.14
	Donation	1.21	8.50
	Other Expenses	4.36	6.21
	Total Other Expenses	41.20	44.62

NOTE NO. - '24'

Notes to Consolidated Financial Statements of the Company and its Subsidiaries for the year ended 31st March, 2014.

NOTES ON ACCOUNTS

1. BASIS OF PREPARATION

- a) Nalwa Sons Investments Limited has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries in accordance with Accounting Standard-21 (Consolidated Financial Statements) and Accounting Standard-23 (Accounting for Investments in Associates in Consolidated Financial Statements) under equity method issued by the Institute of Chartered Accountants of India.

Name of the Company	Country of Incorporation	% Shareholding/ voting power	
		Current Year	Previous Year
SUBSIDIARIES			
Jindal Steels & Alloys Ltd. (JSAL)	India	99.99%	100%
Jindal Holding Ltd. (JHL)	India	86.95%	86.95%
Massillon Stainless Inc. (MSI) – through JSML	USA	45.63%/61%*	45.63%/61%*
Jindal Stainless (Mauritius) Ltd. (JSML) #	Mauritius	100%	100%
Brahmaputra Capital & Financial Services Ltd #	India	50.10%	49%

* Represent voting power

Un-audited financial statements have been considered for purpose of consolidation.

- b) The Consolidated Financial Statements are prepared according to uniform accounting policies in accordance with the generally accepted accounting principles. The effects of inter group company transaction and resulting unrealised profits are eliminated in consolidation.
- c) The difference between the costs to the company of its investment in the subsidiary companies over the company's portion of equity of the subsidiary companies is recognized in the financial statement as goodwill or capital reserve as the case may be.
- d) (i) Minority interests in net results of consolidated subsidiaries for the year is identified and adjusted against the results of the group in order to arrive at the net results attributable to shareholders of the company.
(ii) Minority interest share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the company's shareholders. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of actual obligation of the minority the same is accounted for by the holding company.
- e) The Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the company i.e. 31st March, 2014.
- f) Foreign Subsidiaries Conversion – Revenue items have been consolidated at the average rate prevailing during the year and items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year. Resulting Exchange Gain/(Loss) are recognized in the Statement of profit and loss.

2. Contingent Liabilities not provided for in respect of :

	(₹ In Lacs)	
	Current Year	Previous Year
a) Disputed Income Liabilities (against which company has preferred appeals)	2,688.85	1,464.06
b) Liability towards Corporate Guarantee to Bank against credit facilities availed by other Body Corporate	2,122.50	2,420.00

3. Appeals in respect of certain assessments of Income-Tax are pending and additional tax liabilities/refunds, if any, is not determinable at this stage. Adjustments for the same will be made after the same is finally determined.

4. Based on the information received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below :

Sr. No. Particulars	2013-14	2012-13
1 Principal amount due outstanding	-	-
2 Interest due on (1) above and unpaid	-	-
3 Interest Paid to Suppliers	-	-
4 Payment made to the supplier beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay	-	-
6 Interest Accrued and remaining unpaid	-	-
7 Amount of further interest remaining due and payable in succeeding year	-	-

5. In Nalwa sons Investment Limited and Jindal Holdings Limited, Loans and advances repayable on demand (other than those considered as non performing assets) includes ₹ 9,494.21 lacs (Previous year ₹ 8,174.71 lacs) due from various OP Jindal Group companies which currently have accumulated losses in their books. The Company has mechanism for review and monitoring of all such loans and is confident of recovering these amounts, which are considered good in nature, as and when called for payment. The Company would take necessary action for recovery of these amounts, if required.

6. In JSML under applicable laws, the Company is liable to income tax on chargeable income in Mauritius at a rate of 15% and with a deemed foreign tax credit equivalent to the higher of actual foreign tax suffered or 80 % of the Mauritius Tax payable on foreign source income such that the effective rate of tax to 3%.

7. In opinion of the board, Value of all Assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
8. Provision for standard assets is made at 0.25% of the outstanding standard assets as at 31st March, 2014 in terms of Notification No. DNBS.222/CGM (US)-2011 dated 17-01-2011 issued by Reserve Bank of India.
The Company has made adequate provision for the Non-Performing assets identified. Accordingly provision for Sub-Standard and doubtful assets are made with the guidelines issued by the Reserve Bank of India.
9. In NSIL and JHL, although the fair value of certain unquoted investments (amount not ascertained) is lower than the cost, considering the strategic and long term nature of the investments, future prospects and asset base of the investee company, such decline, in the opinion of the management, has been considered to be of temporary nature and hence no provision for the same is considered necessary.
10. In JSAL and MSI, Certain balances of the Sundry Debtors, Sundry Creditors and Advances are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statement on such reconciliation/ adjustment.
11. Capital reserve on Consolidation represents net of Goodwill of ₹ 58.76 lacs. (Previous Year ₹ 20.92 lacs).
12. The Company has given loans to various companies, which are repayable on demand. During the year, interest on such loans has been serviced by converting into principal, and the same has also been acknowledged by the borrowers.
13. Investments as long term strategic investments in subsidiaries companies in equity shares given as detailed below are exceeding the single exposure norms of 15% of owned fund of the company as prescribed in terms of para 18 of "Non-Banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007", for which the Company has take steps for appropriate exemption/dispensation from Reserve Bank of India consistent with the spirit of the exposure norms. For the purpose of exposure norm, the meaning of the group is taken as per erstwhile section 370(1B) of the Companies Act, 1956.

(₹ In Lacs)

Name of the Company	Investment	% of Owned Fund
Jindal Holdings Limited	6100.66	17.91

14. The Board of Directors of the Company on 11th February, 2013 has decided to convert the company in Core Investment Company (CIC). The necessary Correspondence is being pursued to the Reserve Bank of India (RBI).

15. Pursuant to an internal realignment/reorganization within the O.P. Jindal Group, equity shares of certain listed group companies, held through subsidiary and other investee companies, have been gifted to Group companies, namely Danta Enterprises Private Limited, Sahyog Tradecorp Private Limited, Virtuuous Tradecorp Private Limited and OPJ Trading Private Limited, in each of which the company holds 8.52% sharholding. Such that The economic interest of the company remains unchanged.

The details of shares transferred by Jindal Holdings Limited and Jindal Steel and Alloys Limited (subsidiaries of the Company), are mentioned as under. The carrying value of such investments, as depicted in relevant schedules of the Balance Sheet has been adjusted in Reserves and Surplus.

Jindal Holdings Limited

Script Name	Number of Shares	Name of Transfree
Jindal Saw Limited	1445000	Danta Enterprises Limited
JSW Steel Limited	752693	Danta Enterprises Limited
JSW Holdings Limited	99328	Danta Enterprises Limited
JSW Steel Limited	2325011	Sahyog Tradecorp Private Limited
Hexa Tradex Limited	289000	Virtuuous Tradecorp Private Limited
JSW Holdings Limited	32767	Virtuuous Tradecorp Private Limited

Jindal Steel and Alloys Limited

Script Name	Number of Shares	Name of Transfree
JSW Steel Limited	1656758	Virtuuous Tradecorp Private Limited

16 Segment Reporting :

A) Company operates in one business segment i.e. Investment and Finance, which includes consulting revenue related to investment and finance.

**B) Secondary segments
(Geographical Segments)**

Particulars	(₹ In Lacs)		
	Domestic	Overseas	Total
Revenue			
1 Operational Income	3,676.82	-	3,676.82
	3,133.18	-	3,133.18
Other Income	2.80	-	2.80
	0.65	-	0.65
Total Revenue	3,679.62	-	3,679.62
	3,133.83	-	3,133.83
2 Segment Assets	37,689.35	220.31	37,909.66
	41,720.64	199.60	41,920.24
3 Segment Liabilities	65.48	4,035.69	4,101.17
	57.87	3,641.24	3,699.11

Consolidated Notes to the Financial Statements

Notes :

- C) 1) Segments have been identified in line with AS on Segment Reporting (AS-17), taking into account the organisational structure as well as the differential risk and returns of these segments. The operations of the parent company and its subsidiaries predominately relate to Investment and Financing activities.
- 2) The geographical segment considered for disclosure are as follows :
- Revenue within India include revenue from customers located within India.
 - Revenue outside India include revenue from customers located outside India.

17 Related Parties Transactions

A) List of Related Parties and Relationship (As identified by the Management)

a) Key Management Personnels :

1	Sh. Mahender Kumar Goel	Executive Director (NSIL)
2	Sh. M.L. Gupta	Managing Director (JHL)
3	Sh. Bhartendu Harit	Company Secretary (NSIL)
4	Sanjay Goel	Managing Director (JSAL)
5	P.D. Sharma	Director(BCFL)
6	Parmod Garg	Director(BCFL)

B) Associates

Brahmputra Capital & Financial Services Ltd. (upto 25th February 2014)*

(₹ In Lacs)

C) Transactions

Description	CURRENT YEAR For the year ended 31.03.2014				PREVIOUS YEAR For the year ended 31.03.2013			
	Key Management Personnels	Associates	Enterprises Controlled by key Management Personnels & their Relatives	Total	Key Management Personnels	Associates	Enterprises Controlled by key Management Personnels & their Relatives	Total
Remuneration								
Sh. Mahender Kumar Goel (NSIL)	15.74	-	-	15.74	14.89	-	-	14.89
Sh. Bhartendu Harit (NSIL)	13.20	-	-	13.20	11.39	-	-	11.39

*w.e.f 26th February, 2014 company becomes subsidiary of Nalwa Sons Investment Limited

- 18 The following are the details of Loans and advances of the Company outstanding at the year end in terms of Securities and Exchange Board of India's Circular dated January 10, 2003.

(₹ In Lacs)

Particulars	Outstanding amount as at the year end		Maximum Amount outstanding during the year	
	Current Year	Previous Year	Current Year	Previous Year
Loan and advances where there is no repayment schedule				
Nalwa Metal & Alloys Limited *	54.66	54.66 **	54.66	54.66 **
Mansarover Investments Ltd.	3153.61	3,467.86	4,488.11	3,675.56
Jindal Equip. Leasing & Consultancy Services Ltd.	1816.56	1,178.71	1,816.55	1,178.71
Everplus Securities & Finance Ltd.	5455.75	3,574.14	5,455.75	3,574.14
Renuka Financial Services Limited	2936.05	2,663.73	3,414.08	2,663.73
Goswamis Credits & Investment Ltd.	768.92	821.14	922.14	821.14
Gagan Trading Co. Ltd. *	7.45	7.45 **	7.45	7.45 **
Jindal Stainless Limited*	400.49	400.49 **	400.49	400.49
JSW Steel Limited. *	516.63	516.63 **	516.63	516.63 **
Lexicon Finance Limited*	170.04	170.04 **	170.04	170.04 **
JSL Lifestyle Limited	1391.87	1,759.78	1,759.78	1,759.78
Green Delhi BQS Limited	1791.11 ***	1,791.11 **	1,797.11 ***	1,797.11
Vrindavan Services Pvt. Ltd.	180.00	2,340.75	2,340.75	2,340.75
Ganga Ferro Alloys Pvt. Ltd.	0.00	739.27	739.27	862.28
Abhinandan Investments Ltd.	358.92	283.78	591.78	289.00
Om Savitri Jindal Charitable Society	250.00	150.00	250.00	150.00
JSW Investments Pvt. Ltd.	200.00	175.00	200.00	175.00
Reynold Traders Pvt. Ltd.	3060.00	-	3,060.00	-
Manjula Finances Ltd.	618.10	-	618.10	-
	23,130.16	20,094.54		

Consolidated Notes to the Financial Statements

- * Provision for Non Performing Assets provided for.
 ** No Interest charged for the current year.
 *** Provision for Sub Standard Assets provided for ₹179.11 lacs (Previous year ₹179.11)

- 19 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the parent company's financial statements.
 20 Earning Per Share (EPS) computed in accordance with Accounting Standard-20 "Earning Per Share".

	2013-14 Current Year (₹ In Lacs)	2012-13 Previous Year (₹ In Lacs)
Basic and Diluted EPS :-		
Profit/(Loss) after tax attributable to Equity Shareholders	2,850.01	2,294.17
No. of Shares issued	5,136,163	5,136,163
Basic & Diluted EPS (in Rs.)	55.49	44.67
21 a) Director's Remuneration :-		
Paid to Executive Director	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
Salary	14.99	14.16
Provident Fund	0.75	0.73
	15.74	14.89
b) Auditors Remuneration includes the following :		
Payment to Auditors	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
Audit Fee	3.39	3.31
Tax Audit Fee	0.27	0.25
Certification Work etc.	2.02	1.81
	5.68	5.37

- 22 Previous year's figures have been re-arranged and regrouped wherever considered necessary.
 23 Note No. 1 to 24 are annexed to and form integral part of the Balance Sheet and Statement of Profit and Loss.

Signature to Note No. 1 to 24

In terms of our report of even date annexed hereto

For **N. C. AGGARWAL & CO.**
 Chartered Accountants
 Firm Regn. No. 003273N

(G.K. AGGARWAL)
 Partner
 Membership No. 086622

Place : Hisar
 Date : 30th May, 2014

MAHENDER KUMAR GOEL
 Executive Director & CEO
 (DIN 00041866)

RAKESH GARG
 Director
 (DIN 00038580)

RAJINDER PARKASH JINDAL
 Director
 (DIN 00004594)

BHARTENDU HARIT
 Company Secretary

Consolidated Cash Flow Statement For The Year Ended 31st March, 2014

PARTICULARS	2013-14 (₹ in lacs)		2012-13 (₹ in lacs)	
A) CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITIES				
Net Profit before Tax	3,606.62		2,879.44	
Adjustments for :-				
Depreciation	0.09		0.09	
Translation exchange difference (net)	(361.90)		(204.47)	
Provision on Standard Assets	-		2.42	
Provision for Non Performing Assets	-		179.11	
Dividend Income	(1,458.02)		(1,253.39)	
Interest Income	(1,659.24)		(1,454.79)	
Net Gain/ (loss) on Sale of Mutual Funds / Investments	(9.56)		-	
Previous Year Taxation adjustment	0.59		-	
Interest on Loan	3.40		0.73	
Provision for Doubtful debts/Advances Written Back	(2.79)	(3,487.43)	(0.52)	(2,730.82)
Operating Profit before working capital changes	119.19		148.62	
Adjustments for :-				
Inventory	-		-	
Sundry Debtors	161.98		(96.35)	
Loans & Advances	(3,032.00)		(3,283.35)	
Change in Inventory	(564.72)		-	
Current Assets	(0.01)		-	
Current Liabilities	2,111.38	(1,323.37)	42.84	(3,336.86)
CASH GENERATED FROM OPERATION	(1,204.18)		(3,188.24)	
Direct Tax Advance/Refund	(760.67)		(626.35)	
Net Gain/ (loss) on Sale of Mutual Funds / Investments	9.56		-	
Interest Received	1,659.24		1,454.82	
Dividend Received	1,458.02	2,366.15	1,794.41	2,622.88
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,161.97		(565.36)	
B) CASH INFLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES				
Purchase of Investments	(1,343.43)		-	
Sale of Investments	-		-	
NET CASH INFLOW FROM INVESTMENT ACTIVITIES	(1,343.43)		-	
C) CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES				
Interest Paid	(3.40)		(0.73)	
Increase / (Decrease) in Unsecured Long Term Loans	287.46	284.06	166.38	165.65
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	284.06		165.65	
NET CHANGES IN CASH AND CASH EQUIVALENT	102.60		(399.71)	
Cash and cash equivalent (opening balance)	47.19		446.90	
Foreign Exchange Fluctuation on re-instatement of cash and cash equivalent	-		-	
Cash and cash equivalent (closing balance)	149.79		47.19	

NOTE:

1. Cash and Cash Equivalent includes Cash and Bank Balances only.
2. Increase/(Decrease) in unsecured long term loans are shown net of repayments.
3. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached

For **N. C. AGGARWAL & CO.**

Chartered Accountants

Firm Regn. No. 003273N

(G.K. AGGARWAL)

Partner

Membership No. 086622

Place : Hisar

Date : 30th May, 2014

MAHENDER KUMAR GOEL

Executive Director & CEO

(DIN 00041866)

RAKESH GARG

Director

(DIN 00038580)

RAJINDER PARKASH JINDAL

Director

(DIN 00004594)

BHARTENDU HARIT

Company Secretary

Statement pursuant to general exemption granted under section 212(8) of the Companies Act, 1956 relating to subsidiary companies vide general circular 02/2011 dated Feb. 08, 2011

(₹ In Lacs)

		Subsidiary Companies				
	Particulars	Bharmputra Capital & Financial Services Limited*	Jindal Holdings Limited	Jindal Steel & Alloys Limited	Jindal Stainless (Mauritius) Limited	Massillon Stainless Inc.
1	Capital	4,259.00	1,849.98	702.00 USD	6,430.68 10,700,000.00	2,833.10 USD 4,714,000.00
2	Reserves	(259.05)	791.17	6,655.25	(6,488.23) USD (10,795,765.00)	(11,708.69) USD (19,482,085.10)
3	Total Assets	4,012.38	4,269.85	7,359.51	1.03 USD 1,716.00	219.28 USD 364,856.61
4	Total Liabilities (Outside)	12.43	1,628.70	2.26	58.58 USD 97,481.00	9,094.87 USD 15,132,941.71
5	Investments	-	3,604.13	3,679.00	- USD 1.00	- USD -
6	Turnover/Total Income	8.95	450.52	1,069.33	- USD -	- USD -
7	Profit/(Loss) before Taxation	(1.41)	447.42	1,066.06	(12.40) USD (20,636.00)	- USD -
8	Provision for Taxation	-	40.31	292.31	- USD -	- USD -
9	Profit/(Loss) after Taxation	(1.41)	407.11	773.75	(12.40) USD (20,636.00)	- USD -
10	Proposed Dividend	-	-	-	- USD -	- USD -

*Associate upto 25th February,2014 and become subsidiary w.e.f 26th February,2014.

NALWA SONS INVESTMENTS LIMITED

CIN No: - L65993DL1970PLC146414

Registered Office: 28, Najafgarh Road, Moti Nagar Industrial Area, New Delhi – 110 015.

E-COMMUNICATION REGISTRATION FORM

To,

**Link Intime India Private Limited
(Unit: Nalwa Sons Investments Limited)**

44, Community Center, 2nd Floor
Naraina Industrial Area, Phase I, Near PVR,
Naraina, New Delhi - 110028
Phone No.: (011) 41410592/93/94
Fax No.: (011) 41410591
Email : delhi@linkintime.co.in

Green initiative on Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No./ DP ID & Client ID No. :

Name of 1st Registered Holder :

Name of Joint Holder(s), if any :

Registered Address of the Sole/
1st Registered Holder :

No. of Shares held :

E-mail ID (to be registered) :

Date :

Signature :

Notes:

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) The form is also available on the website of the Company www.nalwasons.com under the section 'Shareholders information'.
- 3) Shareholders are requested to keep the Company's Registrar – Link In Time India Pvt. Ltd. informed as and when there is any change in the e-mail address.



NALWA SONS INVESTMENTS LIMITED

CIN No: - L65993DL1970PLC146414

Registered Office: 28, Najafgarh Road, Moti Nagar Industrial Area, New Delhi – 110 015.

Attendance Slip

Registered Folio / DP ID & Client ID	
Name	
Address of Shareholder	

I/We hereby record my/our presence at the 43rd Annual General Meeting of the Company at N.C. Jindal Public School, Road No. 73, West Punjabi Bagh, New Delhi – 110 026 on Monday, the 29th day of September, 2014 at 3:30 p.m.

Signature of Shareholder / Proxy Present:

Notes:

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting
3. Each equity share of the Company carries one vote.
4. Please read carefully the instructions printed overleaf before exercising the vote.

Instruction for E-voting:

Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 43rd Annual General Meeting of the Company to be held on Monday, the 29th day of September, 2014. For this purpose, necessary arrangements have been made with the Central Depository Services (India) Limited ("CDSL") to facilitate e-voting. E-Voting is optional to the shareholders. The Company has appointed Mr. Shailesh Goyal, Company Secretary in Practice, as the Scrutiniser for conducting the e-voting process in a fair and transparent manner. The list of shareholders/ beneficial owners shall be reckoned on the equity shares as on Friday, 22nd August, 2014.

Process and Manner for Shareholders opting for e-voting is as under:-

- (i) The voting period begins on Thursday, 18th September, 2014 at 9:00 a.m. and ends on Saturday, 20th September, 2014 at 6:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">· Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by Client Id / Folio No. in the PAN field· In case the Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar and your Folio No. is 485 then enter RA00000485 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio <ul style="list-style-type: none">· Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the No. of Shares, which you are holding as on the Cut-off date i.e. August 22, 2014, in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN No. - L65993DL1970PLC146414

Name of the Company: Nalwa Sons Investments Limited

Registered Office: 28, Najafgarh Road, Moti Nagar Industrial Area, New Delhi – 110 015.

Name of the member(s):	
Registered address:	
Email Id.:	
Folio No. / *Client Id:	
*DP Id.:	

I / We, being the member(s) of shares of the above name company, hereby appoint

- Name: Address:
Email Id.: Signature:, or failing him
- Name: Address:
Email Id.: Signature:, or failing him
- Name: Address:
Email Id.: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Monday, 29th day of September, 2014 at 3:30 p.m. at N.C. Jindal Public School, Road No. 73, West Punjabi Bagh, New Delhi - 110 026 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1	To adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors.		
2	To appoint a Director in place of Mr. Mahender Kumar Goel, who retires by rotation and being eligible, offers himself for re-appointment.		
3	To appoint M/s. N.C. Aggarwal & Co., Chartered Accountants, as Statutory Auditors.		
4	To consider appointment of Mr. R.G. Garg as an Independent Director.		
5	To consider appointment of Mr. Rajinder Parkash Jindal as an Independent Director.		
6	To consider appointment of Mr. Rakesh Garg as an Independent Director.		
7	To consider adoption of new set of Articles of Association of the Company.		

Signed this day of, 2014

Signature of shareholder

Signature of Proxy holder(s)



Notes

- This form should be signed across the stamp as per specimen signature registered with the Company.
 - This form of Proxy, to be effective should be duly completed deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
 - A proxy need not be a member of the Company.
 - A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - Please put a () in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. This is only optional.
- * Applicable for Investors holding shares in demat form.



If undelivered, please return to:

Nalwa Sons Investments Limited

O.P. Jindal Marg, Hisar - 125 005 (Haryana) India

Phone No. (01662) 222471 - 83, Fax No. (01662) 220499

Email: investorcare@nalwasons.com, Website: www.nalwasons.com

CIN: L65993DL1970PLC146414


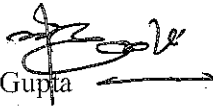
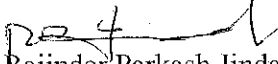

NALWA SONS INVESTMENTS LIMITED

Office: O.P. Jindal Marg
Hisar-125 005
INDIA
Phone: +91 1662 222471
Fax : +91 1662 220476

FORM A

(As per Clause 31(a) of the Listing Agreement)

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Nalwa Sons Investments Limited
2.	Annual financial statement for the year ended	31 st March, 2014
3.	Type of audit observation	Matter of Emphasis (Refer para on Emphasis of Matter in Auditors' Report (Standalone and Consolidated) read with para no. 10 and 11 of Note no. 15 of Standalone Notes to the Financial Statements and para no. 12 and 13 of Note No. 24 of Consolidated Notes to the Financial Statements)
4.	Frequency of observation	Appeared second time.
5.	To be signed by-	
	Executive Director & CEO	Mahender Kumar Goel
	CFO	 M.P. Gupta
	Audit Committee Chairman	 Rajinder Parkash Jindal
	Auditor of the Company	Refer our Audit Report dated 30 th May, 2014 On the Standalone and Consolidated Financial Statements of the company For N.C. Aggarwal & Co. Chartered Accountants Firm Registration No. 003273N  G.K. Aggarwal Partner M. No. 086622 Date: 1 st Sep, 2014

