

DALAL STREET INVESTMENTS LIMITED

Annual Report

2010-2011

DALAL STREET INVESTMENTS LIMITED

Annual Report 2010-2011

BOARD OF DIRECTORS

Pavankumar Sanwaram

Rita Pavankumar

Vikas Pavankumar

BANKERS

Citi Bank N.A.

AUDITORS

Messrs. R. V. Shah & Co.
Chartered Accountants

REGISTERED OFFICE

68-B, Nariman Bhavan
227, Nariman Point
Mumbai 400 021

REGISTRAR & TRANSFER AGENT

Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas
Mahakali Caves Road
Andheri (East)
Mumbai 400 093

DALAL STREET INVESTMENTS LIMITED

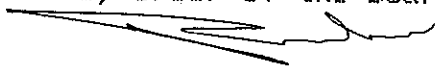
NOTICE

NOTICE IS HEREBY GIVEN THAT the ANNUAL GENERAL MEETING of DALAL STREET INVESTMENTS LIMITED will be held at 68-B, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, on Saturday, the 17th day of September, 2011 at 2.30 P. M. to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikas Favankumar, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board


Director

Registered Office :

68-B, Nariman Bhavan
227, Nariman Point
Mumbai 400 021.

Dated : 6th August, 2011.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2011 to 17th September, 2011 both days inclusive.
- (c) Members are requested to notify immediately any change in the address to the Registrar & Transfer Agents of the Company.

DALAL STREET INVESTMENTS LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS :

	Rs.	Previous year Rs.
	-----	-----
Profit/(Loss) for the year after meeting all charges and expenses but before Provision for Taxation	(1,37,58,949)	1,15,11,657
Less: Provision for Taxation	---	35,00,000
	-----	-----
	(1,37,58,949)	80,11,657
Add/(Less): Balance of Profit/(Loss) brought forward from last year	(15,39,83,827)	(16,19,95,484)
Excess provision for tax for earlier years	15,075	---
Investments w/off not realisable	(46,69,924)	---
	-----	-----
	(17,23,97,625)	(15,39,83,827)
	=====	=====
Balance in Profit and Loss Account carried to Balance Sheet	(17,23,97,625)	(15,39,83,827)
	-----	-----
	(17,23,97,625)	(15,39,83,827)
	=====	=====

2. DIVIDEND:

In view of carried forward losses the Directors do not recommend the payment of dividend on Equity Shares for the year ended 31st March, 2011.

3. FIXED DEPOSITS :

The Company has not been accepting any Fixed Deposits from the Public. As on 31st March, 2011, there were no Fixed Deposits with the Company.

4. DIRECTORS:

Mr. Vikas Pavankumar, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

5. DIRECTORS' RESPONSIBILITY:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that: in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the Profit of the Company for the year ended March 31, 2011. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

6. A Compliance Certificate from a Company Secretary in wholetime practice, as required under Section 383A of the Companies Act, 1956 regarding compliance with the provisions of the act is annexed.

7. AUDITORS :

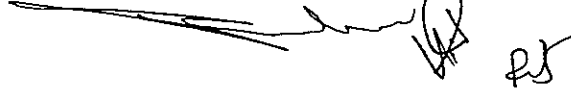
In view of Messrs. R. V. SHAH & Co., Statutory Auditors of the Company for Financial Year 2010-11, expressing their unwillingness to be reappointed at the ensuing Annual General Meeting, the members are requested to consider the appointment of Messrs. A. K. Nevatia & Associates, Chartered Accountants, as the Statutory Auditors of the Company from the end of the ensuing Annual General Meeting.

8. PARTICULARS OF EMPLOYEES :

The information required under Section 217 (2A) of the Companies Act, 1956, there were no such employees as would be covered by the said Section.

9. The Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company.

For and on behalf of the Board

A handwritten signature in black ink, followed by the initials 'PS' written in a similar style.

Directors

Place : Mumbai
Dated : 28th May, 2011

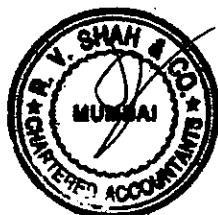
DALAL STREET INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of DALAL STREET INVESTMENTS LIMITED as at 31st March, 2011 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. 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.
 - iii. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
 - iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.

...2/-

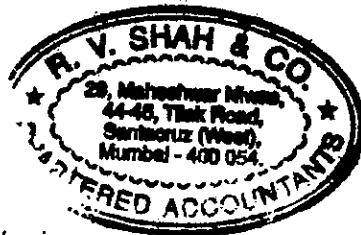


- v. Based on representations made by all the Directors of the company to the Board the information and explanations as made available to us by the company, none of the Directors of the company prima-facie have any disqualifications as referred to in clause (g) of sub-section (1) of Section 274 of the Act.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - b) in the case of Profit and Loss Account, of the Loss for the year ended on that date,
- and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

For R. V. SHAH & CO.,
Firm Registration No.109765 W
Chartered Accountants

R V Shah

(R. V. SHAH)
Proprietor
Membership No. 016097



Place : Mumbai
Dated : 28th May, 2011.

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011 OF DALAL STREET INVESTMENTS LTD.

On the basis of such checks as we considered appropriate and in terms of the information and Explanations given to us, we state that:

- i. a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

...3/-

- b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
 - c) No substantial part of Fixed Assets of the Company has been disposed off during the year.
- ii. a) The Company has traded in Shares and Securities by purchasing/selling shares and securities, the balance of which is closing stock. The stock has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. Discrepancies noticed on verification between physical stock and the book records, have been properly dealt with in the books of account.
- iii. a) The company has not granted any loans, secured or unsecured, to companies, firms or any other parties covered in the register maintained under section 301 of the Act.
- b) The company has taken unsecured loans/advances from three companies and a party. The maximum amount involved during the year was Rs.1063.25 lacs and year end balance of loans/advances from such companies and party were Rs.978.75 lacs.
 - c) The terms of such loans/advances are prima facie not prejudicial to the interest of the company.
 - d) There are no stipulation for repayment of loans/advances. No interest is payable except to one company, which is paid regularly.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and services.

...4/-



- v. a) In our opinion, the transactions that need to be entered in the register maintained under Section 301 of the Act have been so entered.
- b) There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act aggregating during the year to Rs. 5,00,000/- or more in respect of each party.
- vi. The company has not accepted any deposits from the public.
- vii. In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
- viii.a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities applicable to it.
- b) At the end of the financial year there were no undisputed dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited.
- ix. The company has been registered for more than five years. The Company has accumulated losses at the end of the financial year exceeding fifty percent of its net worth. The Company has incurred cash losses during the financial year but earned cash profit in the immediately preceding financial year.
- x. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi. In our opinion and according to the information and explanations given to us, the company has maintained proper records of transactions and contracts as to dealings or trading in shares, securities, debentures and other investments and have been held by the company in its own name, except to the extent of the exemption, if any, granted under Section 49 of the Act.

...5/-



- xii. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xiii. There were no term loans obtained by the company during the year.
- xiv. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xv. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
- xvi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud by the company. We have been informed earlier by the management of an instance of fraud on the company, the necessary civil suits are pending in the Courts of Law.
- xvii. Clauses (viii), (xi), (xiii), (xix) and (xx) of the aforesaid Order are not applicable to the company.



Place : Mumbai
Dated : 28th May, 2011.

For R. V. SHAH & CO.,
Firm Registration No.109765 W
Chartered Accountants

R V Shah

(R. V. SHAH)
Proprietor
Membership No. 016097

DALAL STREET INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	2,250,000	2,250,000
Reserves & Surplus	2	(46,197,625)	(27,783,827)
		(43,947,625)	(25,533,827)
LOAN FUNDS			
Secured Loans	3	---	5,584,386
Unsecured Loans	4	97,875,000	90,085,000
TOTAL		53,927,375	70,135,559
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block		1,356,309	1,356,309
Less: Depreciation		1,258,872	1,235,065
Net Block		97,437	121,244
INVESTMENTS	6	18,004,694	21,694,618
CURRENT ASSETS, LOANS & ADVANCES			
Stock in trade- Shares & Securities	7	6,699,371	8,571,630
Cash and Bank Balances	8	62,526	201,929
Loans and Advances	9	35,188,994	50,321,111
		41,950,891	59,094,670
CURRENT LIABILITIES AND PROVISIONS			
Liabilities		2,568,647	7,195,973
Provisions		3,557,000	3,579,000
		6,125,647	10,774,973
NET CURRENT ASSETS		35,825,244	48,319,697
TOTAL		53,927,375	70,135,559



NOTES ON ACCOUNTS

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As per our attached
report of even date

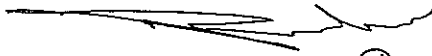

For R.V. SHAH & CO.
Firm Registration No. 109765 W
Chartered Accountants

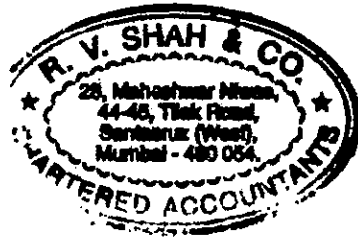
R.V. Shah

(R.V. SHAH)
Proprietor
Membership No. 016097

Place: Mumbai
Dated: 28th May, 2011.

For and on behalf of the Board

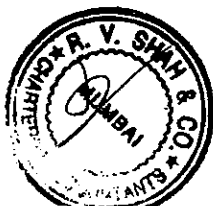


DIRECTORS



DALAL STREET INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	YEAR ENDED SCHEDULE 31/03/2011 Rs.	YEAR ENDED 31/03/2010 Rs.
I. INCOME		
Sales - Shares & Securities	1,172,697	194,446
Dividend	1,043,484	1,026,379
Interest and Other Income	11 785,483	658,836
Profit on Sale of Premises	---	10,892,463
Increase/(Decrease) in Stock- in-Trade	12 (1,872,259)	2,913,630
	<u>1,129,405</u>	<u>15,685,754</u>
II. EXPENDITURE		
Purchases - Shares & Securities	617,327	---
Operating, Administrative and Other Expenses	13 1,339,901	1,327,955
Loss on Sale of Investments (Net)	---	37,177
Interest	2,492,952	2,728,862
Depreciation	23,807	30,186
Assets w/off	---	49,917
Amounts w/off (Net)	10,414,367	---
	<u>14,888,354</u>	<u>4,174,097</u>
III. PROFIT/(LOSS) FOR THE YEAR	(13,758,949)	11,511,657
Provision For Taxation	---	3,500,000
IV. PROFIT/(LOSS) AFTER TAX	(13,758,949)	8,011,657
Balance Brought Forward	(153,983,827)	(161,995,484)
Excess Provision for Tax for earlier years	15,075	---
Investments w/off not realisable	(4,669,924)	---
V. AVAILABLE FOR APPROPRIATION	(172,397,625)	(153,983,827)
VI. APPROPRIATIONS:		
BALANCE CARRIED TO BALANCE SHEET	(172,397,625)	(153,983,827)
	<u>(172,397,625)</u>	<u>(153,983,827)</u>
Basic & Diluted earnings per share of Rs. 10/- each	(61.15)	35.61



As per our attached
report of even date

For R.V. SHAH & CO.
Firm Registration No. 109765 W
Chartered Accountants

R.V. Shah

(R.V. SHAH)
Proprietor
Membership No. 016097

Place: Mumbai
Dated: 28th May, 2011.

For and on behalf of the Board

[Signature]

DIRECTORS



DALAL STREET INVESTMENTS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED 5,00,000 Equity Shares of Rs. 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
ISSUED AND SUBSCRIBED		
2,25,000 Equity Shares of Rs.10/- each fully paid-up	2,250,000	2,250,000
	2,250,000	2,250,000
SCHEDULE - 2		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per Last Balance Sheet	126,200,000	126,200,000
Add: Transfer from P & L A/c.	---	---
	126,200,000	126,200,000
Balance in Profit and Loss Account	(172,397,625)	(153,983,827)
	(46,197,625)	(27,783,827)
SCHEDULE - 3		
SECURED LOANS		
Others	---	5,584,386
	---	5,584,386
SCHEDULE - 4		
UNSECURED LOANS		
Inter Corporate Deposits	58,125,000	61,310,000
From a Director	39,750,000	28,775,000
	97,875,000	90,085,000



SCHEDULE FORMING PART OF THE BALANCE SHEET

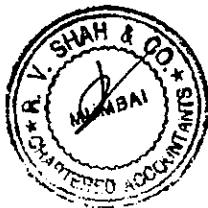
FIXED ASSETS

DESCRIPTION	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	COST AS AT 31.03.2010	ADDITIONS DURING THE YEAR	SUB TOTAL	SALE/DEDUCTIONS DURING THE YEAR	COST AS AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	SALE/DEDUCTIONS DURING THE YEAR	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Computer	183,750	—	183,750	—	183,750	182,013	695	—	182,708	1,042	1,737
Office Equipments	224,881	—	224,881	—	224,881	159,536	9,089	—	168,625	56,256	65,345
Vehicles	947,678	—	947,678	—	947,678	893,516	14,023	—	907,539	40,139	54,162
TOTAL	1,356,309	—	1,356,309	—	1,356,309	1,235,065	23,807	—	1,258,872	97,437	121,244
Previous Year	4,021,449	5,278	4,026,727	2,670,418	1,356,309	2,883,103	30,186	1,678,224	1,235,065	121,244	

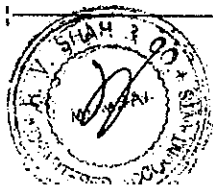


SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011
INVESTMENTS - AT COST - NON-TRADE (LONG-TERM)

Sr. No.	Name of the Company	Nos.	Face Value Rs.	At Book Value/Cost Rs.	Nos.	As at 31.03.2010 Rs.
1	2	3	4	5	6	7
	QUOTED :					
	A) IN FULLY PAID EQUITY SHARES:					
1	Ancent Software International Ltd.	39,211	10	271,530	39,211	271,530
2	Apcotex Lattices Ltd.	50	10	4,255	50	4,255
3	Balmer Lawrie Investments Ltd. (allotted as per Scheme of arrangement and reconstruction between IIF Co. & Balmer Lawrie Investments Ltd.)	12,900	10	—	12,900	—
4	Aditya Birla Nuvo Ltd.	765	10	238,826	765	238,826
5	Birla VL India Ltd.	200	10	13,860	200	13,860
6	The Central Provinces Railways Company Ltd.	10,800	10	15,265	10,800	15,265
7	Cifco Finance Ltd.	50	10	392	50	392
8	Deccan Cements Ltd.	40,919	10	738,754	40,919	738,754
9	Elcot Power Controls Ltd.	—	10	—	1,000	75,000
10	ECE Industries Ltd.	18,800	10	1,430,000	9,000	450,000
11	Eddy Current Controls (India) Ltd.	4,250	10	42,500	4,250	42,500
12	Emami Ltd.	1,176	1 (FY 2)	—	588	—
13	Essar Oil Ltd.	9,750	10	144,293	9,750	144,293
14	Four Soft Ltd.	500	5	47,404	500	47,404
15	Gujarat State Fertilizer Co. Ltd.	1,480	10	142,347	1,480	142,347
16	Geodesic Information Systems Ltd.	2,830	10	500,055	2,830	500,055
17	Hindalco Industries Ltd.	43,250	1	—	43,250	—
18	Hindalco Industries Ltd.	1,417	1	136,032	1,417	136,032
19	Hindustan Oil Exploration Co. Ltd.	50	10	7,760	50	7,760



1	2	3	4	5	6	7
20	Indian Oil Corporation Ltd.	6,821	10	451,551	6,821	451,551
21	The Industrial Investment Trust Ltd.	50,700	10	213,130	50,700	213,130
22	Indian Metals & Ferro Alloys Ltd.	209	10	50,270	209	50,270
23	The Industrial Finance Corporation of India Ltd.	100	10	3,500	100	3,500
24	The Indian Hume Pipe Company Ltd.	3,580	2 (PY 10)	3,187	716	3,187
25	Kinetic Engineering Ltd.	4,400	10	20,163	4,400	20,163
26	Heidelberg Cements India Ltd. (Formerly Mysore Cements Ltd.)	274	10	10,705	274	10,705
27	N.B.I. Industrial Finance Co. Ltd.	2,625	10	36,875	2,625	36,875
28	National Mineral Development Corpn. Ltd.	250	1	—	250	—
29	Orient Beverages Ltd.	27,000	10	405,000	27,000	405,000
30	The Qudh Sugar Mills Ltd.	79,258	10	3,851,199	79,258	3,851,199
31	Plenty Valley Tea & Coffee Ltd.	34,000	10	284,332	34,000	284,332
32	Panjon Ltd.	92,000	10	2,105,269	92,000	2,105,269
33	Reliance Industries Ltd.	15	10	2,114	15	2,114
34	Reliance Power Ltd.	1,617	10	617,305	1,617	617,305
35	Raymond Ltd.	4,592	10	—	4,592	—
36	Standard Batteries Ltd.	250	0.50	12,500	250	12,500
37	Supreme Industries Ltd.	200	2 (PY 10)	1,000	40	1,000
38	Sesa Goa Ltd.	24,560	1	4,400	24,560	4,400
39	Seshasayee Industries Ltd.	—	10	—	123,000	568,260
40	State Bank of India	11	10	1,051	11	1,051
41	Steller Exports Ltd.	—	10	—	168,000	1,680,000
42	Southern Online Bio Tech Ltd.	500	10	5,000	500	5,000
43	The Thana Electric Supply Company Ltd.	173,023	10	5,615,316	173,023	5,615,316
44	Tata Steel Ltd.	133	10	57,900	133	57,900
45	Voith Paper Fabrics India Ltd.	22,960	10	82,712	22,960	82,712
46	Yule Financing & Leasing Co. Ltd.	400	10	4,000	400	4,000
47	Zandu Realty Ltd. (formerly Zandu Pharmaceuticals Works Ltd.)	42	100	1,538	42	1,538
				17,573,290		18,916,550

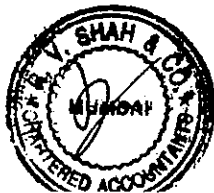


1	2	3	4	5	6	7
	B: UNITS :					
	1; Morgan Stanely Mutual Fund	10,000	10	60,831	10,000	60,831
	2; Units of Unit Trust of India - Master Shares	39	10	—	39	—
	3; Master Gain, 1992	2,200	10	27,542	2,200	27,542
				<u>88,373</u>		<u>88,373</u>
	UNQUOTED :					
	A. IN FULLY PAID EQUITY SHARES :					
	1; Filani Investment & Ind. Corpn. Ltd.	18,844	10	220,830	18,844	220,830
	2; Southern Switchgear Ltd.	—	10	—	101,488	2,346,664
	3; Shree Bombay Cotton Mills Estate Pvt.Ltd.	4,750	10	122,201	4,750	122,201
	4; Saurashtra Chemicals Ltd.	—	10	—	271	—
				<u>343,031</u>		<u>2,689,695</u>
				COST/BOOK VALUE		MARKET VALUE
				Rs.		Rs.
	NOTES :					
	Aggregate of Quoted Investments			17,661,663		53,934,102
	Previous year			(19,004,923)		(55,859,081)
	Aggregate of Unquoted Investments			343,031		
	Previous year			(2,689,695)		
				<u>18,004,694</u>		
				<u>(21,694,618)</u>		



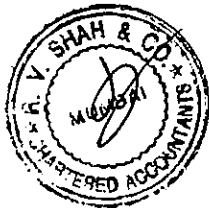
DALAL STREET INVESTMENTS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
SCHEDULE - 7		
STOCK-IN-TRADE		
(at cost or realisable value whichever is lower - valued and certified by the management)	6,699,371	8,571,630
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash on hand	80	481
Balances with Scheduled Banks In Current Accounts	62,446	201,448
	62,526	201,929
SCHEDULE - 9		
LOANS & ADVANCES		
Unsecured-considered good, unless stated otherwise		
Inter Corporate Deposits (includes Rs. 203.50 lac doubtful of recovery)	29,850,000	29,550,000
Interest Receivable on I.C. Deposits	1,273,464	13,219,110
Advances recoverable in cash or kind for value to be received	731,245	2,616,600
Advance Income-tax/Fringe Benefits Tax, Tax Deducted at Source & Self Assessment etc.	3,311,185	4,912,301
Sundry Deposits	23,100	23,100
	35,188,994	50,321,111
SCHEDULE - 10		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	75,695	2,513,346
Interest accrued but not due on loans	2,243,657	4,409,741
Other Liabilities	249,295	272,886
	2,568,647	7,195,973
PROVISIONS		
Provision for Taxation	3,500,000	3,500,000
Provision for Fringe Benefits Tax	57,000	79,000
	3,557,000	3,579,000



DALAL STREET INVESTMENTS LIMITED
SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	YEAR ENDED 31/03/2011 Rs.	YEAR ENDED 31/03/2010 Rs.
SCHEDULE - 11		
INTEREST AND OTHER INCOME		
Interest on Debentures	472	472
Interest - On Inter Corporate Deposits (Tax Deducted at Source Rs.75,689/- Previous Year Rs.65,807/-)	756,888	658,072
Interest - Others	27,937	---
Miscellaneous Income	186	292
	785,483	658,836
SCHEDULE - 12		
Increase/(Decrease) in Stock-in-trade		
Opening Stock	8,571,630	5,658,000
Less: Closing Stock	6,699,371	8,571,630
	(1,872,259)	2,913,630
SCHEDULE - 13		
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, Allowances & Bonus	374,366	455,698
Company's Profession Tax	---	2,500
Electricity Charges	---	3,680
Insurance	3,105	3,696
Printing & Stationery	29,290	30,001
Travelling & Conveyance Expenses	15,965	62,692
Legal & Professional Fees	466,598	175,518
Vehicle Expenses	174,265	172,263
Filing Fees/Stamp duty	---	60,510
Auditors' Remuneration:		
Audit Fees	12,500	12,500
Tax Audit Fees	2,000	2,000
Taxation	1,500	1,500
Other Services	3,303	3,303
	19,303	19,303
Postage & Telephone Expenses	98,142	79,543
Repairs & Maintenance - Buildings	---	153,459
Miscellaneous Expenses	158,867	109,092
	1,339,901	1,327,955



DALAL STREET INVESTMENTS LIMITED

SCHEDULE '14'

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

1. Depreciation on Fixed Assets has been provided on the reducing balance method at the rates specified in Schedule XIV of the Companies Act, 1956.
2. Additional information pursuant to the provisions of paras 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 :

(a) QUANTITATIVE INFORMATION : Details of items traded during the year :

Description	Unit	OPENING STOCK		PURCHASES *		SALES/DELETIONS *		CLOSING STOCK	
		Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
Shares/Units Number		1,375,372 (1,376,972)	8,571,630 (5,658,000)	30,486 (400)	617,327 (-)	788,470 (2,000)	2,434,815 (194,446)	617,388 (1,375,372)	6,699,371 (8,571,630)

* Including adjustments in respect of receipt of bonus shares and/or conversions/
sub-divisions.

- | | | |
|---|-----------|-------|
| (b) Value of Imports calculated on C.I.F. basis by the Company during the year | Nil | (Nil) |
| (c) Expenditure in foreign currency during the year | Nil | (Nil) |
| (d) Value of Imported raw materials, spares parts and components consumed during the year | Nil | (Nil) |
| (e) Amount remitted during the year in foreign currency by way of divide..... | Nil | (Nil) |
| (f) Earnings in foreign currency | Nil | (Nil) |

Figures in the brackets relates to the previous year.



3. ACCOUNTING POLICIES :

The accounts are prepared in accordance with the accounting principles and on the accrual basis of accounting.

(a) Fixed Assets and Depreciation :

Fixed Assets are stated at historical costs less accumulated depreciation on the same. Depreciation on Fixed Assets is provided on Written Down Value Method.

(b) Investments and Investment Income :

Investments (Long-Term) are stated at cost. However, provision for permanent diminution is made to recognise a decline in the value of Investments wherever applicable. Surplus on Sale of Investments credited to the Profit and Loss Account is net of loss on Sale of Investments.

(c) Inventories :

Trading stocks are valued at lower of Cost or Realisable Value.

4. The Company is Registered with Reserve Bank of India as Non-Banking Financial Company.
5. As the Company's main activity is to deal in shares and securities, there are no reportable segment as defined in Accounting Standard 17.
6. Basic and Diluted Earning per Equity Share of Rs.10/- each for the year ended 31st March, 2011 is Rs.(61.15) (Previous Year Rs. 35.61).
7. As defined in Accounting Standard 22 Company do not have material deferred tax liability.
8. As required by Accounting Standard - AS 18 - "Related Parties Disclosures" issued by the The Institute of Chartered Accountants of India are as follows:

List of Related Parties and transactions taken place with them during the year:

(A) Key Management Personnel

- Pavankumar Sanwamal- Director
- Rita Pavankumar - Director
- Vikas Pavankumar - Director



Details of transactions during the year are as follows:

(A) Unsecured Loans/Advances received from related parties:

Key Management personnel Rs.201.75 lacs

(B) Repayment of unsecured Loans/Advances to related parties:

Key Management personnel Rs. 92.00 lacs

(C) Outstanding Balances as at 31st March, 2011
Payable by Company

Key Management personnel Rs. 397.50 lacs

9. Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

(a) Registration Details

Registration No.	19,987	State Code	11
Balance Sheet Date	31 Date	03 Month	2,011 Year

(b) Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

(c) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds	Total Liabilities	Total Assets
	53,927	53,927
	Paid-up Capital	Reserves & Surplus
	2,250	(46,198)
	Secured Loans	Unsecured Loans
	—	97,875



Application of Funds

Net Fixed Assets
97

Investments
18,005

Net Current Assets
35,825

Miscellaneous Expenditure
Nil

Accumulated Losses
NIL

(d) Performance of Company (Amount in Rs. Thousands)

Turnover / Income
1,129

Total Expenditure
14,888

Profit/(Loss) before tax
(13,759)

Profit/(Loss) after tax
(13,759)

Earnings per Share (Annualised) in Rs.(61.15)

Dividend Rate
Nil

(e) Generic Names of Three Principal Products/Services of
Company - Investment Company

Not Applicable

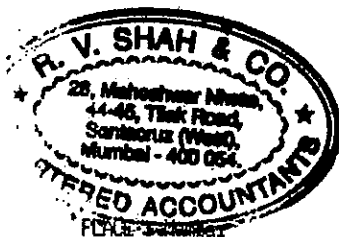
10. Previous year's figures have been regrouped/recast wherever necessary to confirm to this year's classification.

SIGNATORIES TO SCHEDULES '1' TO '14'

As per our attached Report of even date

For R. V. SHAH & CO.,
Firm Registration No. 109765 W
Chartered Accountants

For and on behalf of the Board



Rvshah

(R. V. SHAH)
Proprietor
Membership No. 016097

[Signature]
[Signature]
DIRECTORS

DATED : 28th May, 2011.

DALAL STREET INVESTMENTS LIMITED

ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rs. in lakhs	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
a. Net Profit/(Loss) Before Tax & Extraordinary Items	(137.59)	115.12
Adjustments For :		
Depreciation	0.24	0.30
Interest & Dividend Income	6.65	10.44
Other Income	—	0.87
b. Operating Profit Before Working Capital Changes	(130.70)	126.73
Adjustments For :		
Inventories	18.72	(29.14)
Loans & Advances	172.18	(9.46)
Trade Payables	(46.27)	21.31
c. Cash Generated from Operations	13.93	109.44
Interest Paid	(24.93)	(27.29)
Direct Taxes Paid	(20.93)	(8.67)
d. Cash Flow Before Extraordinary Items	(31.93)	73.48
Extraordinary items	—	(108.92)
Net Cash flow from Operating Activities	(31.93)	(35.44)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	—	118.35
Purchase of Fixed Assets	—	(0.05)
Sale of Investments	—	7.72
Purchase of Investments	(9.80)	—
Interest Received	7.85	6.39
Dividend Received	10.43	10.26
Net Cash used in Investing Activities	8.48	142.87



C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Issue of Share Capital	—	—
Proceeds from Long Term Borrowings	22.06	(105.95)
Dividend Paid	—	—
Net Cash used in Financing Activities	22.06	(105.95)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(1.39)	1.48
Cash and Cash Equivalent at beginning of the year	2.02	0.54
Cash and Cash Equivalent at end of the year	0.63	2.02

AS PER OUR ATTACHED REPORT OF EVEN DATE

For R. V. SHAH & CO.
Firm Registration No. 109765 W
Chartered Accountants

R.V. Shah

(R.V. SHAH)
Proprietor
Membership No. 016097

For and on behalf of the Board

[Signature]
[Signature]
[Signature]
DIRECTORS

Place : Mumbai
Dated : 28th May, 2011



SHIV HARI JALAN
B.COM., F.C.A., A.C.S.
COMPANY SECRETARY

104, MAHAVIR BUILDING, 44/46, POPATWADI LANE, KALBADEVI, MUMBAI-2.
Telephone: 22075834, Tele Fax: 22075835, Mobile: 9869035834, Residence: 28845111.

COMPLIANCE CERTIFICATE

U/S 383 A of the companies Act, 1956 & Rule 3 of the companies
(compliance certificate) Rules, 2001.

Registration No.: 11-019987

Nominal capital: Rs. 50 Lacs

To,

The Members,

DALAL STREET INVESTMENTS LIMITED

68B, Nariman Bhavan,

227, Nariman Point,

Mumbai - 400021.

I have examined the registers, records, books and papers of DALAL STREET INVESTMENTS LIMITED (Registration No.: 11-019987) (the company) as required to be maintained under the companies Act, 1956: (THE ACT) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in the respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms & returns as stated in Annexure "B" to this certificate, with the Registrar of companies, Regional Director, Central Government, Company law Board or other authorities within the time prescribed under the Act and the rules made there under
3. The company is a Public Limited company and hence comments are not required.
4. The board of Directors duly met *Eight* times on 23.04.2010, 31.05.2010, 07.08.2010, 13.08.2010, 21.09.2010, 29.10.2010, 08.11.2010 & 11.02.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Minutes Book maintained for the purpose.
5. The company closed its Register of members from 20.07.2010 to 23.07.2010.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 27.08.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.



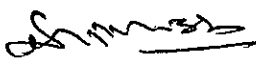
7. One extra-ordinary general meeting was held on 31.05.2010 after giving due notice to the members of the company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The company has not advanced any loan to its Directors and/or persons firms or companies referred in Section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company was not required to make any entries in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The company has not issued any duplicate share certificates during the financial year under review.
13. The company has:
 - (i) Not made any allotment of securities or approved any transfer/transmission during the financial year under review.
 - (ii) Not deposited any amount in a separate bank Account as no dividend was declared during the financial year.
 - (iii) Not posted Warrants for Dividends to any members of the company as no dividend was declared during the financial year.
 - (iv) No Transaction Necessitating to transfer the amounts in unpaid dividend account, applications money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The board of Directors of the company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under certification.
15. The company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year
16. The company has not appointed any sole-selling Agent during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board /Regional Director/ Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares / debentures, during the financial year.
22. There was no transaction necessitating to keep in abeyance rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited or accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act read with companies

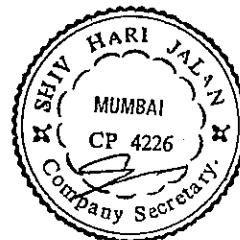


- (Acceptance of Deposit) Rules 1975, during the financial year under review form public.
24. The amount borrowed by the company from Directors and other body corporate during the financial year ending 31.03.2011 are within the borrowing limits of the company.
 25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act.
 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the memorandum with respect to the object of the company during the year under scrutiny.
 28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered its articles of association during the year under scrutiny.
 31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on company during the financial year, for offences under the Act.
 32. The company has not received any money as security from its employees during the financial year under certification.
 33. The company has not constituted its Provident Fund u/s.418 of the companies Act, 1956 and hence provisions of section 418 of the Act do not apply to the company.

Place: Mumbai

Date: 28.05.2011


SHIV HARI JALAN
COMPANY SECRETARY
C.P.NO. : 4226



DALAL STREET INVESTMENTS LIMITED

Annexure "A"

Registers as maintained by the company

1. Register of Members u/s. 150(1).
2. Register of Transfers.
3. Copies of Annual Return prepared u/s. 163(1)
4. Minutes of proceedings of meetings of Board of Directors and of general meeting u/s.193 (1).
5. Books of Accounts u/s. 209(1).
6. Register of contracts, companies and firms in which directors are interested u/s 301(1).
7. Register of Directors, Manager and Secretary u/s. 303(1).
8. Register of Directors shareholding u/s. 307(1).

Annexure "B"

Forms and Returns as filed by company with the Registrar of the companies, Regional Director, Central Government or other authorities during the financial year ending on 31.03.2011:

Sr. No.	Form No./ return	Filed under section	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1.	Annual Return Form 20B	159	2009-10	19.10.10	Yes	N/A
2.	Balance sheet(with required annexure and schedules) Form 23ac/aca	220	2009-10	07.10.10	No	Yes
3.	CCOM Form 66	383A	2009-10	07.10.10	No	Yes
4	Form 23	192	Further issue of shares u/s 81(1A)	25.06.10	Yes	N/A

Place: Mumbai

Date: 28.05.2011


SHIV HARI JALAN
COMPANY SECRETARY
C.P.NO. : 4226

