

NALWA SONS INVESTMENTS LIMITED

Annual Report
2009-2010





Shri O.P. Jindal
August 7, 1930 - March 31, 2005

“He rewrote not only norms but whole scriptures of corporate excellence and human governance using his vision and acumen. His journey from a humble villager to people’s representative to a global winner, has been the eternal source of motivation and inspiration for all of us”

BOARD OF DIRECTORS

Executive Director & Chief Executive Officer	Mahender Kumar Goel
Directors	R.G. Garg Rajinder Parkash 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.

REGISTERED OFFICE

28, Najafgarh Road, Moti Nagar Industrial Area, New Delhi –110 015 India.
Phone: (011) 45021854, 45021812, Fax : (011) 25928118, 45021982
e-mail address 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
e-mail: info@jindalsteel.com

BRANCH OFFICE

O.P. Jindal Marg, Hisar-125 005 (Haryana) India.
Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499
e-mail: info.hisar@jindalsteel.com

Contents

Notice	2
Directors' Report	4
Report on Corporate Governance	7
Management Discussion & Analysis Report	15
Auditors' Report	16
Balance Sheet	18
Profit & Loss A/c	19
Schedules & Notes to Accounts	20
Cash Flow Statement	30
Statement pursuant to section 212	35
Consolidated Financial Statements	36

THIRTY NINTH ANNUAL GENERAL MEETING

Date : 30th September 2010
Day : Thursday
Time : 3:30 p.m.
Place : N.C. Jindal Public School
Road No. 73, West Punjabi Bagh,
New Delhi – 110 026

Directors' Report

TO

THE MEMBERS,

Your directors have pleasure in presenting the thirty ninth annual report of your Company together with the audited statement of accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

Description	(Rs. in Crore)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Interest and dividend income/ Other Income	12.02	14.78
Profit before Interest, Depreciation and Tax	11.25	14.13
Less : Interest/Bank Charges	-	-
Depreciation	-	-
Previous year Taxation Adjustments	-	-
Provision for Fringe Benefit Tax	-	-
Provision for Income Tax	2.04	2.65
Provision / (Assets) for Deferred Tax	0.10	0.20
Net Profit / (Loss) after Tax	9.11	11.28
Add/(Less): Surplus brought forward	32.22	23.20
Profit/ (Loss) available for appropriation	41.33	34.48
Transfer to Statutory Reserve	1.82	2.26
Balance carried to Balance Sheet	39.51	32.22

FINANCIAL, OPERATIONAL REVIEW & PROSPECTS

During the year ended 31st March, 2010, the company has earned income by way of dividend, interest and other income amounting to Rs.12.02 crore. After payment of interest on loans, other expenses and provisions, net profit for the year amounted to Rs.9.11 crore as compared to Rs.11.28 crore in the previous year.

Total income, inclusive of dividend and interest, for the year ended 31st March, 2010 is Rs.12.02 crore as against Rs.14.78 crore in the previous year. The decline was mainly on account of declaration of lower dividend by the Investee Companies.

Your company holds significant investments in equity shares of steel manufacturing companies of O.P. Jindal group. Despite another challenging year for the global steel industry, investee companies have made a strong comeback from the global downturn effect of the previous year. The steel sector in India is on the growth path and the performance of the Investee Companies are expected to improve further in the current financial year, which is expected to result in higher dividend income in the coming year. The infrastructure development being undertaken in the country is expected to give a further boost to the steel industry and your company is looking forward for a higher growth in its Investee Companies in the coming year which would enhance the shareholders' value.

Considering the future prospects of the economy as a whole and the steel industry in particular, the company expects to achieve substantial value enhancement in the long term for the benefit of the shareholders at large.

DIVIDEND

The directors have not recommended declaration of any dividend on equity shares for the year ended 31st March, 2010 in order to conserve the resources for future years.

PAYMENT OF LISTING FEE

The equity shares of your company are presently listed on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fee for the year 2010-11 has been paid to both the stock exchanges where the equity shares of your company are listed.

Directors' Report

CONSOLIDATED FINANCIAL STATEMENTS

As required under clause 32 of the listing agreements 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 Rs.100 crore.

DIRECTORS

Mr. Rajinder Parkash, Director, will retire at the annual general meeting by rotation and, being eligible, offers himself for re-appointment.

Brief resume of Mr. Rajinder Parkash, 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 retire at the conclusion of ensuing annual general meeting. The company has received intimation from them to the effect that their appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956. Accordingly, they are proposed to be re-appointed as Statutory Auditors of the company for the year 2010-11.

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, 2010, 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 four subsidiaries namely Jindal Holdings Limited, Jindal Steel & Alloys Limited, Jindal Stainless (Mauritius) Limited and Massillon Stainless Inc., USA.

As per Central Government's approval under section 212(8) of the Companies Act, 1956 vide its letter dated 31st March, 2010, the annual accounts of the said subsidiary companies are not attached with this report. Any shareholder of the company or its above said subsidiary companies, interested in obtaining the annual accounts of the subsidiary companies and the related detailed information may write to the Company Secretary at registered office of the company.

The annual accounts of the subsidiary companies would be open and accessible for inspection by shareholder 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.

Directors' Report

DEMATERIALIZATION OF SHARES

The members, those who have not yet dematerialised their shares, are advised to get their shares dematerialised as trading of the shares is permissible in the demat form only.

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, 2010, 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 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 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, 2010 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 : 2nd August, 2010

Mahender Kumar Goel
Executive Director & C.E.O.

Rajinder Parkash
Director

Corporate Governance

Your company recognizes communication as a key element of the overall corporate governance framework and, therefore, emphasis 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 reports, 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	Director	Independent
3.	Mr. Rakesh Garg	Director	Independent

- No director is related to other directors on the Board.

(ii) Board Meetings

During financial year 2009-10, nine Board meetings were held on 30th April, 2009, 30th July, 2009, 25th August, 2009, 12th October, 2009, 30th October, 2009, 17th November, 2009, 4th December, 2009, 29th January, 2010 and 8th March, 2010. The maximum time gap between any two meetings was not more than four calendar months.

(iii) Attendance of Directors & other Directorships

Attendance of the directors at the Board meetings, last annual general meeting and number of other directorships and chairmanships/ memberships of committee of each director in various companies:

Sr. No.	Name of the Director	No. of equity shares held	Attendance Particulars		No. of total directorships and committee memberships/ chairmanships in limited companies (excluding remuneration committee)		
			Board meetings	Last AGM	Total Directorships	Committee Memberships	Committee Chairmanships
1	Mr. Mahender Kumar Goel	-	9	Yes	2	-	-
2.	Mr. R.G. Garg	120	3	No	1	1	1
3.	Mr. Rajinder Parkash	-	9	No	3	1	1
4.	Mr. Rakesh Garg	16	9	No	1	2	-

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.

Corporate Governance

3. Audit Committee:

Composition and attendance:

An Audit Committee constituted in terms of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000 and as per requirement of clause 49 of the Listing Agreement, comprises following independent non-executive directors:

1.	Mr. Rajinder Parkash	-	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 2009-10, five Audit Committee meetings were held on 30th April, 2009, 30th July, 2009, 25th August, 2009, 30th October, 2009 and 29th January, 2010. Mr. Rajinder Parkash and Mr. Rakesh Garg were present in all the five meetings and Mr. R. G. Garg attended two meetings.

Terms of Reference:

Terms of reference of the Audit Committee are as per section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreement with the stock exchanges.

4. Remuneration Committee:

Composition and attendance:

The Remuneration Committee of the company comprises the following directors:

1.	Mr. R.G. Garg	-	Chairman
2.	Mr. Rajinder Parkash	-	Member
3.	Mr. Rakesh Garg	-	Member

There was no Remuneration Committee meeting during the year ended 31st March, 2010.

Terms of Reference:

To determine the remuneration packages of the executive directors.

Remuneration of Executive Directors:

Details of the remuneration paid to the Executive Director for the financial year ended 31st March, 2010 is given below:

(Amount in Rs.)					
Name of Director	Designation	Basic Salary	Contribution to PF	Others	Total
Mr. Mahender Kumar Goel	Executive Director & Chief Executive Officer	4,39,800	52,776	5,13,982	10,06,558

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. Shareholders'/ Investors' Grievance Committee:

Shareholders'/ Investors' Grievance Committee of the company comprising Mr. R.G. Garg, Chairman, Mr. Rajinder Parkash and Mr. Rakesh Garg, looks into the grievances of the shareholders concerning transfer of shares, non receipt of annual report etc. and recommend measure for expeditious and effective investor service.

Corporate Governance

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.

As required by the stock exchanges, the company has appointed Mr. Bhartendu Harit, Company Secretary as the Compliance Officer to monitor the transfer process and liaison with the regulatory authorities. The company complies with the various requirements of the listing agreement and the depositories with respect to transfer of shares, the requisite certificates are sent to them within the prescribed time.

No. of shareholders' complaints received during the year ended 31st March, 2010 : 23

Number of complaints not solved to the satisfaction of shareholders: Nil

No. of pending complaints : Nil

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, Director, Mr. Rakesh Garg, Director, Mr. Bhartendu Harit, Company Secretary and Mr. Jeewat Rai, Vice President, Abhipra Capital Limited.

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
2006-07	29.9.2007	Saturday	03:30 p.m.	N.C. Jindal Public School, Road No. 73, West Punjabi Bagh, New Delhi – 110 026.
2007-08	30.9.2008	Tuesday	12:00 noon	- do -
2008-09	30.9.2009	Wednesday	03:30 p.m.	- do -

No. of special resolutions passed during last three AGMs

AGM	No. of special resolutions
2006-07	0
2007-08	0
2008-09	0

Postal Ballot :

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

8. Disclosures :

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of 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) 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.

Corporate Governance

(iii) Whistle Blower Policy

The employees of the company are accessible to the senior management for any counseling or consultation and the company has not denied any employee access to the audit committee.

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

The company has complied with the mandatory requirement of this clause.

Compliance with non-mandatory requirements

(1) Remuneration Committee

The company has setup remuneration committee of directors to recommend / review overall compensation structure and policies of the directors.

(2) 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.

(3) 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.

(4) 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.

(5) Whistle Blower Policy

The employees of the company are accessible to the senior management for any counseling or consultation and the company has not denied any employee 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)
<i>(for the year 2009-10)</i> |
| iii) Any 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. |

Corporate Governance

10. General Shareholder Information

- 10.1 Annual General Meeting** :
- Date and Time : 30th September 2010 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 2010 – 11 (Tentative)** :
- | | |
|---|--------------------------|
| Annual General Meeting – (Next Year) | September, 2011 |
| Board Meetings | |
| Results for quarter ended June 30, 2010 | Upto 15th August, 2010 |
| Results for quarter ending September 30, 2010 | Upto 15th November, 2010 |
| Results for quarter ending December 31, 2010 | Upto 15th February, 2011 |
| Results for quarter ending March 31, 2011 | Upto 15th May, 2011 |
- 10.3 Book Closure date** : 21st September, 2010 to 24th September, 2010 (both days inclusive) for annual general meeting.
- 10.4 Dividend payment particulars** : The company has not declared dividend for the financial year ended 31st March, 2010.

Nomination facility

The Companies (Amendment) Act, 1999 has provided for a nomination facility to the shareholders of the company. Your company is pleased to offer the facility of nomination to shareholders and shareholders may avail this facility by sending the duly completed Form 2B as revised vide Notification no. GSR 836(E) dated 24th October, 2000, Department of Company Affairs, to the Registrar & Transfer Agent of the company.

- 10.5 Listing of Equity Shares on Stock Exchanges at** :
- | | |
|---|---|
| National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot No. C/1,
G – Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051. | Bombay Stock Exchange Ltd.,
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 - Bombay Stock Exchange (Demat Segment) | 532256 |
| Trading Symbol - National Stock Exchange (Demat Segment) | NSIL |

International Securities Identification Number (ISIN) : INE023A01030

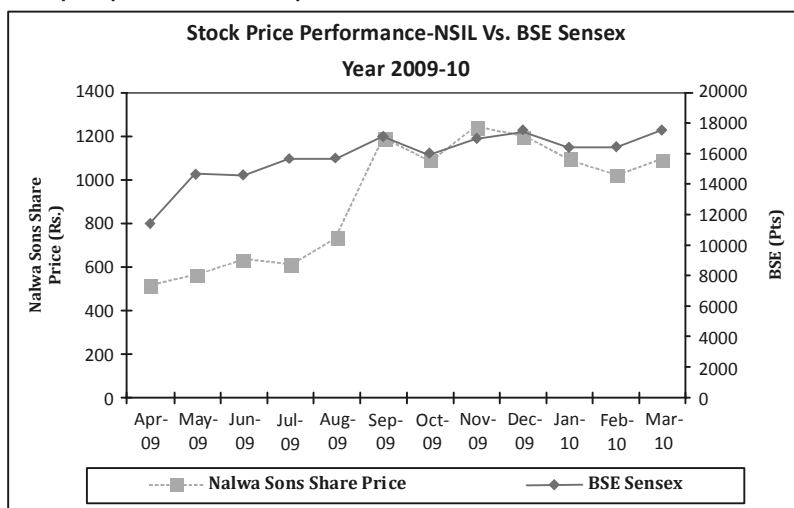
Reuters Code : NALS.BO (Bombay Stock Exchange)NALS.NS (National Stock Exchange)

10.7 Stock Market Data :

	National Stock Exchange (NSE) (In Rs.)		Bombay Stock Exchange (BSE) (In Rs.)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2009	567.90	461.00	569.30	455.10
May 2009	659.00	520.05	683.00	522.10
June 2009	819.90	554.05	835.45	562.90
July 2009	650.00	530.00	650.00	551.00
August 2009	809.00	551.00	797.00	574.00
September 2009	1185.10	682.60	1186.60	687.40
October 2009	1503.65	1055.00	1497.00	1075.05
November 2009	1428.30	1040.00	1400.00	1035.20
December 2009	1293.00	1110.00	1289.00	1100.00
January 2010	1367.00	1030.00	1435.15	1051.00
February 2010	1132.00	1002.00	1134.00	1000.00
March 2010	1200.00	1007.00	1170.00	1010.00

Corporate Governance

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 : Abhipra Capital Limited
Ground Floor – Abhipra Complex, Dilkhush Industrial Area,
A-387, G.T. Karnal Road, Azadpur, New Delhi – 110 033.
Phone No. (011) 42390909, Fax No. (011) 27215530

10.10 Share Transfer System : Share transfer requests are registered within 20- 25 days.

10.11 Distribution of shareholding as at 30th July, 2010 :

By size of shareholders	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 500	27579	99.31	722246	14.06
501 - 1000	82	0.30	58380	1.14
1001 - 2000	38	0.14	55406	1.08
2001 - 3000	11	0.04	25324	0.49
3001 - 4000	5	0.02	16092	0.31
4001 - 5000	4	0.01	18630	0.36
5001 - 10000	6	0.02	40859	0.80
10001 & Above	44	0.16	4199226	81.76
TOTAL	27769	100.00	5136163	100.00
Physical Mode	12802	46.10	2210608	43.04
Electronic Mode	14967	53.90	2925555	56.96

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	2856410	55.61
FIs/Banks/Mutual Funds	31179	0.61
Corporate Bodies	103378	2.01
FIIIs	217757	4.24
NRIs/OCBs	789335	15.37
Public	1138104	22.16
TOTAL	5136163	100.00

Corporate Governance

- 10.12 Dematerialisation of shares** : On 30th July, 2010, 56.96% 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).
- Liquidity** : The company's shares are among the liquid and regularly traded shares on the National Stock Exchange and Mumbai Stock Exchange.
- 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, query on Annual Report and any other query on the shares of the company.
- Name : Mr. Jeewat Rai
Address : Abhipra Capital Limited (Unit: NSIL)
Ground Floor – Abhipra Complex,
Dilkhush Industrial Area, A-387, G.T. Karnal Road,
Azadpur, New Delhi – 110 033.
Phone No. : (011) 42390909
Fax No. : (011) 27215530
Email : investorcare@nalwasons.com

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).

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) 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 : August 2, 2010

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, 2010, 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, 2010.

Corporate Governance

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, 2010 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/Allotment & Transfer Committee of the Board.

For **N.C. AGGARWAL & Co.**
Chartered Accountants

Place : Hisar
Dated : 2nd August, 2010

(G.K. Aggarwal)
Partner

Certificate

I, Mahender Kumar Goel, Executive Director & C.E.O. of Nalwa Sons Investments Limited, to the best of my knowledge and belief certify that:

1. I have reviewed the balance sheet and profit and loss account (both consolidated and stand alone) of the company for the year ended March 31, 2010 and all its schedules and notes to accounts, as well as the cash flow statements.
2. To the best of my knowledge and information:
 - a. The financial statements and other financial information included in this report, fairly present in all material respects, the financial conditions, results of the operations and cash flows of the company as of and for the periods presented in the annual report, and are in compliance with the existing accounting standards and/or applicable laws and regulations:
 - b. The financial statements and other financial information do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading:
 - c. These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
 - d. There is no continuing failure of internal controls and all controls are placed in the company.
3. I also certify, that based on my knowledge and the information provided to me, there are no transactions entered into by the Company, which are fraudulent, illegal or in violation of the Company's code of conduct.
4. I along with the Company's other certifying officers are responsible for establishing and maintaining disclosures controls and procedures for the financial reporting of the Company, and I have:-
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, including transactions entered into with Foreign subsidiaries and all related party is made known to us by the officials in these entities, particularly during the period in which the Annual report is being prepared and
 - b. Evaluated the effectiveness of the company's disclosure, controls and procedures
5. I, along with the other certifying officers of the company, have disclosed based on our most recent evaluation, wherefore applicable, to the Company's Statutory Auditors and to the Audit Committee of the Board of Directors:
 - a. All significant deficiencies in the design or operation of the internal controls, which we are aware could adversely affect the company's ability to record, process, summarize and report financial data and identified any material weakness in the internal controls and taken steps to rectify these deficiencies;
 - b. Whether there were significant changes in the internal controls over financial reporting subsequent to the date of our most recent evaluation, including any corrective actions with regards to significant deficiencies and material weakness;
 - c. Fraud, if any, which we have become aware of and that involves management or other employees who have a significant role in the Company's internal control systems over financial reporting;
 - d. Significant changes in the accounting policies during the year, if any, have been disclosed in the notes to the financial statements.

The above is conveyed to the Board of Directors of the Company.

Hisar, August 2, 2010

Mahender Kumar Goel
Executive Director & C.E.O.

Management Discussion And Analysis

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year 2009-10, the company earned income by way of dividend, interest and other income amounting to Rs.12.02 crore. After payment of interest on loans, other expenses and provisions, net profit for the year amounted to Rs.9.11 crore as compared to Rs.11.28 crore in the previous year. The share capital of the company as on 31st March, 2010 stood at Rs.5.13 crore and Reserves and Surplus at Rs.274 crore.

OUTLOOK

Your company is registered as a Non Banking Finance Company (NBFC) as per provisions of Section 45 IA of the Reserve Bank of India Act, 1934. In terms of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the company is a 'Systematically Important Non-Deposit Taking Non-Banking Financial Company' (i.e. a non-banking financial company not accepting / holding public deposits and having an asset size of more than Rs.100 crore). The investments made by the company are long term strategic investments with an objective of achieving value enhancement for the benefit of the shareholders at large.

The company is an investment company and continues to hold significant investments in equity shares of O. P. Jindal Group of Companies.

Despite another challenging year for the global steel industry, Investee Companies have made a strong comeback from the global downturn effect of the previous year. The steel sector in India is on the growth path and the performance of the Investee Companies are expected to improve further in the current financial year, which is expected to result in higher dividend income in the coming year. The infrastructure development being undertaken 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 year which would enhance the shareholders' value.

OPPORTUNITIES AND THREATS

The company foresees a lot of opportunities coming up for equity participation in new projects/expansion of existing projects of the Investee companies in the future. The company can also explore other opportunities in the capital market, which may come up.

The company holds significant investments in equity of steel companies. The steel industry is characterized by cyclical fluctuations in prices. Downward movement in the steel prices and demand could adversely affect margins of the steel companies which could be a major threat to the company's fortunes.

RISK 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

Your company's internal control systems and procedures are commensurate with the size of operations and adequate enough to meet the following objectives:

- Efficient use and safeguarding of resources
- Compliance with statutes, policies and procedure
- Transactions being accurately recorded and promptly reported.

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.

Auditors' Report

- (ii) 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, 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 regular in depositing with the appropriate authorities undisputed statutory dues including Employees Provident Fund, Investor Education and Protection Fund and Income Tax. There is no arrears as at 31st March 2010 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 Statute	Amount (Rs in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	97.51	2004-2005	Commissioner of Income Tax (Appeal), Delhi
Income Tax Act	89.08	2005-2006	Commissioner of Income Tax (Appeal), Delhi
Income Tax Act	275.14	2006-2007	Commissioner of Income Tax (Appeal), Delhi

8. The Company does not have accumulated losses as at the end of the financial year. The Company has no incurred cash losses in the current financial year and in the immediately preceding financial year.
9. The Company has not taken any loan from banks, financial institutions or debenture holders. Accordingly paragraph 4(xi) of the order is not applicable.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. The company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable.
16. The Company has not raised any money by Public issue during the year. Accordingly paragraph 4(xx) of the order is not applicable.
17. 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 course of our audit.

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

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

Place : Hisar
Dated : 2nd August, 2010

Balance Sheet As At 31st March, 2010

DESCRIPTION	SCHEDULE	(Rs. in Lacs) 31.03.2010	(Rs. in Lacs) 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	513.62	513.62
Reserves and Surplus	2	27,485.25	26,574.42
TOTAL		27,998.87	27,088.04
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	1.55	1.55
Less: Depreciation		0.55	0.46
Net Block		1.00	1.09
INVESTMENTS	4	17,511.66	17,511.66
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	5	72.79	15.66
Loans and Advances	6	10,288.55	9,426.94
		10,361.34	9,442.60
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	7	53.37	56.37
Provisions	8	3.13	2.27
		56.50	58.64
NET CURRENT ASSETS		10,304.84	9,383.96
Deferred Tax Assets (Net) : (Note No.12)		181.37	191.33
TOTAL		27,998.87	27,088.04
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS 12			

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

Profit and Loss Account for the year ended 31st March, 2010

DESCRIPTION	SCHEDULE	(Rs. in Lacs) 31.03.2010	(Rs. in Lacs) 31.03.2009
INCOME			
Interest, Dividend and Other Incomes	9	1,202.27	1,478.26
		1,202.27	1,478.26
EXPENDITURE			
Personnel	10	9.68	7.27
Administrative and Other Expenses	11	61.32	57.63
Provision for Non Performing Assets		6.06	0.67
Depreciation		0.09	0.09
		77.15	65.66
PROFIT BEFORE TAX		1,125.12	1,412.60
Less :			
Previous Year Taxation Adjustments		0.33	0.13
Provision for Fringe Benefit Tax		-	0.08
Provision for Income Tax		204.00	264.56
Provision for Deferred Tax		9.96	20.00
PROFIT AFTER TAXATION		910.83	1,127.83
Add : Amount Brought Forward		3,222.00	2,319.74
Less: Transfer to Statutory Reserve		182.17	225.57
Balance Carried to Balance Sheet		3,950.66	3,222.00
		910.83	1,127.83
Earning Per Share (in Rs.) (Note No. 11)			
Basic and Diluted		17.73	21.96
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS 12			

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

Schedules to the Balance Sheet

DESCRIPTION	(Rs. in Lacs) 31.03.2010	(Rs. in Lacs) 31.03.2009
SCHEDULE - "1"		
SHARE CAPITAL		
AUTHORISED		
150,00,000 Equity Shares of Rs.10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
ISSUED, SUBSCRIBED AND PAID UP		
51,36,163 Equity Shares of Rs.10/- each fully paid up	513.62	513.62
TOTAL	513.62	513.62
SCHEDULE - "2"		
RESERVES AND SURPLUS		
a) SECURITIES PREMIUM ACCOUNT		
As Per Last Account	3,004.20	3,004.20
	3,004.20	3,004.20
b) GENERAL RESERVE		
As Per Last Account	2,262.77	2,262.77
	2,262.77	2,262.77
c) CAPITAL RESERVE		
Demerger Account as per Scheme of Arrangement and Demerger	17,276.90	17,276.90
	17,276.90	17,276.90
d) STATUTORY RESERVE		
As per last Account	808.55	582.98
Add: Transfer from Profit and Loss Account	182.17	225.57
	990.72	808.55
e) SURPLUS		
Profit and Loss Account	3,950.66	3,222.00
	3,950.66	3,222.00
GRAND TOTAL	27,485.25	26,574.42

SCHEDULE "3"

FIXED ASSETS										(Rs. in Lacs)
DESCRIPTION	GROSS BLOCK				UPTO 31.03.2009	DEPRECIATION			NET BLOCK	
	COST AS ON 01.04.2009	ADDITIONS DURING THE YEAR	SALES/ TRFD DURING THE YEAR	TOTAL AS ON 31.03.2010		DURING THE YEAR	WRITTEN BACK	TOTAL AS ON 31.03.2010	31.03.2010	31.03.2009
Furniture & Fixture	1.14	-	-	1.14	0.36	0.07	-	0.43	0.71	0.78
Other Assets	0.41	-	-	0.41	0.10	0.02	-	0.12	0.29	0.31
TOTAL	1.55	-	-	1.55	0.46	0.09	-	0.55	1.00	1.09
Previous Year	1.55	-	-	1.55	0.37	0.09	-	0.46	1.09	-

Schedules to the Balance Sheet

SCHEDULE "4"

INVESTMENTS - FULLY PAID UP (AT COST LESS PROVISION)

DETAILS OF INVESTMENTS		AS AT 31st MARCH, 2010			AS AT 31st MARCH, 2009		
		SHARES/ DEB./ BONDS (NOS.)	FACE & PAID UP VALUE PER SHARE/ DEB/BOND	AMOUNT (Rs.in Lacs)	SHARES/ DEB./ BONDS (NOS.)	FACE & PAID UP VALUE PER SHARE/ DEB/BOND	AMOUNT (Rs.in Lacs)
LONG TERM-OTHER THAN TRADE							
EQUITY SHARES OF							
A	SUBSIDIARY COMPANY						
	UNQUOTED :						
1	Jindal Holdings Ltd.	16085755	10	6100.70	16085755	10	6100.70
2	Jindal Steel & Alloys Ltd.	7020000	10	3502.00	7020000	10	3502.00
3	Jindal Stainless (Mauritius) Ltd.	10700000	US\$1	4938.99	10700000	US\$1	4938.99
				14541.69			14541.69
	LESS : PROVISION FOR DIMINUTION OF INVESTMENTS			(4,938.99)			(4,938.99)
	SUB TOTAL (A)			9602.70			9602.70
B	OTHERS						
a)	QUOTED						
1	Jindal Saw Ltd.	53550000	2	349.84	10710000	10	349.84
2	Shalimar Paints Ltd.	274518	10	135.32	274518	10	135.32
3	JSW Steel Ltd.	4548607	10	1986.90	4548607	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	148	10	0.01
6	JSL Limited	347945	2	5.07	347945	2	5.07
				3659.79			3659.79
	Less : Provision for Doubtful Investments			(13.23)			(13.23)
	SUB TOTAL B (a)			3646.56			3646.56
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 & Consultancy Services Ltd.	1320000	10	792.00	1320000	10	792.00
6	Jindal Overseas PTE Ltd.	153000	SING\$ 1	31.38	153000	SING\$ 1	31.38
7	Brahmputra Capital & Financial Services Ltd.	20869000	10	2086.90	20869000	10	2086.90
8	Saraswat Co. Op. Bank	1000	10	0.10	1000	10	0.10
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
				4193.45			4193.45
	LESS : PROVISION FOR DIMINUTION OF INVESTMENTS			(41.38)			(41.38)
	SUB TOTAL B (b)			4152.07			4152.07
C	10% REDEMABLE CUMULATIVE PREFERENCE SHARES :						
1	Jindal Equipment Leasing & Consultancy Services Ltd.	110000	100	110.33	110000	100	110.33
	SUB TOTAL (C)			110.33			110.33
	G. TOTAL (A TO C)			17511.66			17511.66
	AGGREGATE VALUE OF QUOTED INVESTMENTS			3646.56			3646.56
	MARKET VALUE OF QUOTED INVESTMENTS			186518.01			32995.41
	AGGREGATE VALUE OF UNQUOTED INVESTMENTS			13865.10			13865.10

Note:-

- 4,73,337 Equity Shares of JSW Steel Limited have been pledged with Bank/Financial Institution for financial assistance taken by other body corporate.
- Share of Jindal Saw Limited split from face value of Rs.10/- to Rs.2/- each.
- During the year, JSW Energy Limited issued bonus shares in ratio of 3 equity shares for 2 equity shares.

Schedules to the Balance Sheet

DESCRIPTION	(Rs. in Lacs) 31.03.2010	(Rs. in Lacs) 31.03.2009
SCHEDULE - "5"		
CASH AND BANK BALANCES		
Cash on Hand*	-	0.01
BALANCE WITH SCHEDULED BANKS		
In Current Accounts	72.79	15.65
TOTAL	72.79	15.66
* Cash in hand as on 31.03.2010 Rs.105/-		
SCHEDULE - "6"		
LOANS AND ADVANCES (unsecured, considered good unless otherwise stated)		
Loans to Body Corporate including loan to Subsidiary companies Rs.6.73 Lacs (Previous Year Rs. 6.73 Lacs)	10,742.67	9,880.70
Less : Provision for Non Performing Assets (Including Provision for Subsidiary Company of Rs. 6.73 lacs (Previous year Rs.0.67 lacs)	585.47	579.41
	10,157.20	9,301.29
Advances Recoverable in cash or in kind or for value to be received	1.18	0.08
Prepaid Taxes (Net of Provision)	130.17	125.57
TOTAL	10,288.55	9,426.94
SCHEDULE - "7"		
CURRENT LIABILITIES		
Sundry Creditors		
To Micro & Small Enterprises	-	-
To Others	3.84	2.41
Other Outstanding Liabilities	44.13	45.00
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividend	5.40	8.96
TOTAL	53.37	56.37
SCHEDULE - "8"		
PROVISIONS:		
For Gratuity	2.09	1.57
For Leave Encashment	1.04	0.70
TOTAL	3.13	2.27

Schedules to the Profit & Loss Account

DESCRIPTION	(Rs. in Lacs) 31.03.2010	(Rs. in Lacs) 31.03.2009
SCHEDULE - "9"		
INTEREST, DIVIDEND AND OTHER INCOME		
Dividend on Long Term Investments	568.97	662.99
Misc. Receipts	0.11	0.31
Corporate Guarantee Commission [Tax Deducted at Sources Rs.0.76 Lacs]	7.58	-
Interest on Loans and Advances [Tax Deducted at Sources Rs.62.67 Lacs (Previous Year Rs 184.67 Lacs)]	559.00	814.96
Profit on sale of Current Investment (Mutual Fund)	66.61	-
TOTAL	1,202.27	1,478.26
SCHEDULE - "10"		
PERSONNEL		
Salaries, Wages, Bonus and other Benefits	9.21	6.84
Contribution to Provident and Other Funds	0.47	0.43
TOTAL	9.68	7.27
SCHEDULE - "11"		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent	0.66	0.67
Legal & Professional Expenses	38.24	39.07
Postage, Telegram and Telephone	2.32	2.33
Printing & Stationery	2.26	2.43
Auditors' Remuneration	4.29	2.60
Directors' Remuneration	10.07	9.06
Advertisement & Publicity	1.11	0.28
Bank Charges	0.01	0.04
Miscellaneous Expenses	2.36	1.15
TOTAL	61.32	57.63

Notes to Accounts

SCHEDULE - "12"

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 & 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:

	(Rs. in Lacs) Current Year	(Rs. in Lacs) Previous Year
(i) For Income Tax matters against which company has preferred appeal	461.73	186.59
(ii) Liability towards Corporate Guarantee given to Bank against credit facilities availed by other Body Corporate	3177.63	-

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. Loans to Body corporate **Rs. 10157.20 lacs** (including Rs. Nil of subsidiary companies) (previous year Rs. 9301.29 lacs (including Rs. 6.06 lacs of subsidiary companies)) are repayable on demand. The management is confident of recovering the same as and when recalled and hence amount outstanding have been considered good and recoverable.

Notes to Accounts

5. In opinion of the board, Loans & Advances have a realisable value, in the ordinary course of business at least equal to the amount at which they are stated.
6. The company operates in single primary segment i.e. investment and finance.
7. (i) Provision for Non Performing Loans and Advances amounting to Rs..6.06 lacs (previous year Rs.0.67 lacs) on doubtful loans have been decided by the management considering prudential norms prescribed by the Reserve Bank of India.
- (ii) Detail of provision for Non Performing Assets

	(Rs. in Lacs) Current Year	(Rs. in Lacs) Previous Year
Opening Balance	579.41	578.74
Add: Provision made during the year	6.06	0.67
Closing Balance	585.47	579.41

8. 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.
9. As per Accounting Standards-15, "Employees Benefits" the disclosure as defined in the Accounting Standard are given below:-

i) Defined Benefit Plans

	(Rs. In Lacs)	
Defined Contribution/Benefit towards	Current Year	Previous Year
Employer's Contribution to provident fund	0.94	0.88
Employer's Contribution to ESI	0.06	0.06

Defined Benefit Plans	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Current Service Cost	0.29	0.22	0.26	0.23
Interest Cost	0.13	0.06	0.00	0.00
Expected Return on Plan Assets	—	—	—	—
Actuarial (Gain)/Loss	0.10	0.06	(0.36)	(0.06)
Past Service Cost	—	—	—	—
Curtailement and settlement cost/credit	—	—	—	—
Net Cost	0.52	0.34	(0.10)	0.17
Actual Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
ii) Change in Benefit Obligation				
Present Value of obligation as at the beginning of the year	1.57	0.70	1.67	0.74
Current Service Cost	0.29	0.22	0.26	0.23
Interest Cost	0.13	0.06	0.00	0.00
Benefits Paid	—	—	—	0.21
Curtailement and settlement cost	—	—	—	—
Past Service Cost	—	—	—	—
Actuarial (Gain)/Loss	0.10	0.06	(0.36)	(0.06)
Present Value of obligation as at the end of year	2.09	1.04	1.57	0.70
iii) The assumptions used to determine the benefit obligations are follows :				
Discount Rate	8%	8%	8%	8%
Salary Escalation	5%	5%	5%	5%
Mortality	LIC 94-96 Ultimate			

Notes to Accounts

10 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 Stainless (Mauritius) Limited
 Massillon Stainless Inc. U.S.A.

b) Key Management Personnel :

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

c) Associate

1. Jindal Saw Limited
 2. Brahmputra Capital & Financial Services Ltd.

(Rs. in Lacs)

B Transactions Description	CURRENT YEAR				PREVIOUS YEAR			
	Subsidiaries	Key Management Personnel	Associates	Total	Subsidiaries	Key Management Personnel	Associates	Total
<u>Remuneration Paid</u>								
Sh. Mahender Kumar Goel	-	10.07	-	10.07	-	9.06	-	9.06
Sh. Bhartendu Harit	-	7.16	-	7.16	-	5.75	-	5.75
	-	17.22	-	17.22	-	14.81	-	14.81
<u>Provision for Non Performing Assest</u>								
Jindal Stainless (Mauritius) Limited	6.06	-	-	6.06	0.67	-	-	0.67
	6.06	-	-	6.06	0.67	-	-	0.67
<u>Outstanding Balance as on 31.03.2010</u>								
<u>Loan receivable</u>								
Jindal Stainless (Mauritius) Limited	6.73	-	-	6.73	6.73	-	-	6.73
	6.73	-	-	6.73	6.73	-	-	6.73
<u>Equity Investment Outstanding</u>								
Jindal Holdings Limited	6,100.70	-	-	6,100.70	6,100.70	-	-	6,100.70
Jindal Steel & Alloys Limited	3,502.00	-	-	3,502.00	3,502.00	-	-	3,502.00
Jindal Stainless (Mauritius) Limited	4,938.99	-	-	4,938.99	4,938.99	-	-	4,938.99
Jindal Saw Limited	-	-	-	-	-	-	349.84	349.84
Brahmputra Capital & Financial Services Ltd.	-	-	2,086.90	2,086.90	-	-	2,086.90	2,086.90
	14,541.69	-	2,086.90	16,628.59	14,541.69	-	2,436.74	16,978.42
<u>Provision outstanding for Non Performing Assets</u>								
Jindal Stainless (Mauritius) Limited	6.73	-	-	6.73	0.67	-	-	0.67
	6.73	-	-	6.73	0.67	-	-	0.67
<u>Provision outstanding for diminution in Investments</u>								
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
<u>Provision outstanding for doubtful Investment</u>								
Jindal Saw Limited	-	-	-	-	-	-	13.23	13.23
	-	-	-	-	-	-	13.23	13.23
<u>Other Payable</u>								
Jindal Saw Limited	-	-	-	-	-	-	6.22	6.22
	-	-	-	-	-	-	6.22	6.22

Notes to Accounts

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

	Current Year (Rs.in Lacs)	Previous Year (Rs.in Lacs)
Basic and Diluted EPS :-		
Profit/(Loss) after tax attributable to Equity Shareholders	910.83	1,127.83
No. of Shares issued	5,136,163	5,136,163
Basic and Diluted EPS (in Rs.)	17.73	21.96

12 DEFERRED TAX LIABILITY/(ASSET) (NET)

Particulars	Deferred Tax Liability/ (Asset) 31.03.2009	(Rs. in Lacs)	
		Current year charge/ credit	Deferred Tax Liability/ (Asset) 31.03.2010
A) Deferred Tax Liability			
Difference between book & tax depreciation	0.12	-	0.12
Total Deferred Tax Liability - A	0.12	-	0.12
B) Deferred Tax Assets			
1 Disallowance under Income Tax Act, 1961	0.77	0.29	1.06
2 Provision for doubtful debts & advances	178.36	2.07	180.43
3 Brought forward long term/short term capital losses	12.32	(12.32)	-
Total Deferred Tax Assets - B	191.45	(9.96)	181.49
Deferred Tax Liability (Assets) (Net) (A-B)	(191.33)	9.96	(181.37)

Notes to Accounts

- 13 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	(Rs. 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
Mansarovar Investments Ltd.	1,903.20	1,746.80	1,903.20	1,863.69
Jindal Equip. Leasing & Consultancy Services Ltd.	824.93	364.20	824.93	3,336.34
Everplus Securities & Finance Ltd.	1,572.72	1,478.95	1,572.72	1,851.52
Renuka Financial Services Limited	1,874.93	1,716.13	1,874.93	1,716.13
Goswamis Credits & Investment Ltd.	661.00	604.97	661.00	604.97
Gagan Trading Co. Ltd.*	7.45 **	7.45 **	7.45	7.45
JSL Limited	-	3,384.18	3,384.18	3,384.18
JSW Steel Ltd.*	516.63 **	516.63 **	516.63	516.63
Austenitic Creations Pvt. Ltd.	1,740.59	-	1,740.59	-
Green Delhi BQS Limited	1,579.83	-	1,579.83	-
	10,735.94	9,873.97		

* Provision for Non Performing Assets provided for Rs. 585.47 lacs (Previous Year Rs. 579.41 lacs)

** No Interest charged

- 14 (A) **Auditors Remuneration includes the following**

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Payment to Auditors		
Audit Fee	2.10	2.10
Tax Audit Fee	0.11	0.11
Certification Work etc.	2.08	0.39
	4.29	2.60

- (B) 1. **Directors' Remuneration includes the followings:**

Remuneration paid to Directors including Executive Director		
Salary including allowance	9.54	8.56
Contribution to Provident Fund etc.	0.53	0.50
	10.07	9.06

2. No commission is being payable to the Directors and hence, the computation of Net Profit under Section 349 of the Company Act, 1956 is not given

- 15 Other information pursuant to Part II of schedule VI to the Companies Act, 1956 are either Nil or not applicable

Notes to Accounts

16) Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. :	146414	State Code:	55
Balance Sheet Date	31.03.2010		

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue:	NIL	Rights Issue:	NIL
Bonus Issue:	NIL	Private Placement:	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities :	2799887	Total Assets:	2799887
---------------------	---------	---------------	---------

Sources of Funds:

Paid up Capital :	51362	Reserves & Surplus:	2748525
Secured Loans :	-	Unsecured Loans:	-

Application of Funds :

Net Fixed Assets:	100	Investments:	1751166
Net Current Assets:	1030484	Misc. Expenditure:	-
Deferred Tax Assets	18137		

IV. Performance of Company (Amount in Rs. Thousand)

Turnover/Receipts :	120227	Total Expenditure:	7715
Profit/(Loss) before tax:	112512	Profit/(Loss) after tax:	91083
Earnings per Share in Rs. (Weighted Average)	17.73	Dividend Rate:	NIL

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Product Description : Investement and Finance

Item Code : N.A.

17) Previous year's figures have been re-arranged and regrouped wherever considered necessary.

18) Schedule 1 to 12 are annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

Signatures to Schedule 1 to 12

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

Cash Flow Statement for the year ended 31st March, 2010

PARTICULARS	2009-10 Rs in lacs		2008-09 Rs in lacs	
A) Cash Inflow (Outflow) from the operating activities				
Net Profit/(Loss) before Tax & Extraordinary Items	1,125.12		1,412.60	
Adjustments for :-				
Depreciation	0.09		0.09	
Dividend Income	(568.97)		(662.99)	
Interest Income	(559.00)		(814.96)	
Provision for Non Performing Assets	6.06 (1,121.82)		0.67 (1,477.19)	
Operating Profit Before Working Capital Changes	3.30		(64.59)	
Adjustments for :-				
(Increase)/Decrease in Loans & Advances	(861.97)		(1,789.04)	
Other Current Assets	(1.10)		644.29	
Current Liabilities & Provisions	1.42 (861.65)		2.13 (1,142.62)	
Cash Generated from Operation before Exceptional Items	(858.35)		(1,207.21)	
Direct Taxes Refund (Paid)	(208.93)		(277.15)	
Interest Received	559.00		814.96	
Dividend Received	568.97 919.04		662.99 1,200.80	
Net Cash Outflow from Operating Activities	60.69		(6.41)	
B) Cash Inflow/(Outflow) from Investment Activities				
Increase/(Decrease) in Investments	-		-	
Net Cash Inflow from Investment Activities	-		-	
C) Cash Inflow/(Outflow) from Financing Activities				
Dividend paid	(3.56)		(10.53)	
Net Cash Inflow/(Outflow) from Financing Activities	(3.56)		(10.53)	
Net Changes in Cash and Cash Equivalent	57.13		(16.94)	
Cash and Cash equivalent (Opening Balance)	15.66		32.60	
Cash and Cash equivalent (Closing Balance)	72.79		15.66	

NOTE :-

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

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

Schedule to the Balance Sheet of a Non-Banking Financial Company (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

For the year ended 31.03.2010

(Rs. In lacs)

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) Public Deposits*	-	-
(g) Other Loans (specify nature) - Short Term Advances	-	-
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
* Please see Note 1 below		
Assets side :		Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		-
(b) Unsecured		10742.67
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP 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) Hypothecation loans counting towards EL/HP activities :		
(a) Loans where assets have been repossessed		-
(b) Loans other than (a) above		-

(5) 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		-
(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		3646.55
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted :		
(i) Shares : (a) Equity		13754.78
(b) Preference		110.33
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	10157.20	10157.20
Total	-	10157.20	10157.20

(7) 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	13800.97	9602.70
(b) Companies in the same group	-	-
(c) Other related parties	187751.24	5598.18
2. Other than related parties	2972.09	2310.78
Total	204524.30	17511.66

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

(8) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	6.73
(b) Other than related parties	578.74
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

- 1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 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 column (5) above.

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

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 (%)		
(ii) CRAR - Tier I Capital (%)	124%	129%
(iii) CRAR - Tier II Capital (%)	Nil	Nil

2) Exposure to Real Estate Sector

Category	Current Year	Previous Year
(a) Direct Exposure		
(i) Residential Mortgages:- 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 Lakhs to be shown separately)	Nil	Nil
(ii) Commercial Real Estate:- 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:	Nil	Nil
(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

3) Maturity pattern of certain items of assets and liabilities

	(Rs. In Lacs)									
	1 day to 30/31 days one month	Over 1 month 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)	-	-	-	-	-	-	-	-	10,157.20	10,157.20
Investments (net of Provision)	-	-	-	-	-	-	-	17,511.66	-	17,511.66

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

Particulars	Subsidiary Companies			
	Jindal Holdings Limited	Jindal Steel & Alloys Limited	Jindal Stainless (Mauritius) Limited	Massillon Stainless Inc. USA.
a) Holding Company's interest	: Holder of 16085755 Equity Shares of Rs.10/- each out of the subscribed capital of 18499820 Equity Shares of Rs.10/- each.	Holder of 7020000 Equity Shares of Rs.10/- each out of the subscribed capital of 7020000 Equity Shares of Rs.10/- each.	Holder of 10700000 Equity Shares of US \$ 1 each out of the subscribed capital of 10700000 Equity Shares of US \$ 1 each.	Jindal Stainless (Mauritius) Ltd. a subsidiary of the company (NSIL) is holding 61 Equity shares of US \$500 out of the subscribed capital of 100 Equity shares of US \$500.
b) Financial year of the company ended on	: 31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
c) Net aggregate amount of subsidiary company's profit (loss) not dealt within the company's Account.	: (Rs. in Lacs)	(Rs. in Lacs)	US \$	US \$
i) For the subsidiary company's financial year ended 31st March, 2010.	: 86.81	910.20	(15316.50)	(241.60)
ii) For the subsidiary company's previous financial periods, since it became the holding company's subsidiary.	: (392.61)	3090.67	(10715744.00)	(19481843.50)
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, 2010.	: 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
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.

Place : Hisar
Date : 2nd August, 2010

MAHENDER KUMAR GOEL Executive Director & Chief Executive Officer
RAJINDER PARKASH Director
RAKESH GARG Director
BHARTENDU HARIT Company Secretary

Auditors' Report

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF NALWA SONS INVESTMENTS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NALWA SONS INVESTMENTS LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of Nalwa Sons Investments Limited, its subsidiaries and its interest in associates as at 31st March, 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

1. 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. We conducted our audit in accordance with generally accepted audit standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 financial statements. We believe that our audit provides a reasonable basis for our opinion.
2.
 - a) We did not audit the financial statements of Jindal Steel & Alloys Limited whose financial statements reflect total assets of Rs.7545.48 lacs as at 31st March, 2010 and total revenues of Rs.1098.11 lacs and cash flows of Rs. 75.15 lacs for the year then ended. The financial statements have been audited by other auditor whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report.
 - b) We did not audit the financial statements of Jindal Stainless (Mauritius) Limited whose financial statements reflect total assets of Rs. 4.80 Lacs as at 31st March, 2010 and total revenues of Rs. 0.18 Lacs and cash flows of Rs. 1.68 Lacs for the year then ended. 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 statements for the reason as stated above.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 23 Accounting for Investment in Associates in Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rule, 2006.
4. *Attention is invited to the following notes of schedule 18*
 - (i) *Note No.11 regarding Massillon Stainless Inc. not a Going Concern.*
 - (ii) *Note No. 8(b) regarding Balances of Sundry Debtors, Creditors and bank balance of MSI is Subject to Confirmation.*

Subject to above, on the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Nalwa Sons Investments Ltd. and its aforesaid subsidiaries and associate (including unaudited statement of Jindal Stainless (Mauritius) Limited), we are of the opinion that consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

 - a) In case of the Consolidated Balance Sheet, of the consolidated state of affair of the Company, its subsidiaries and its interest in associates as at 31st March, 2010;
 - b) In case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company, its subsidiaries and its interest in associates 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 Company and its subsidiaries for the year ended on that date.

For **N.C. Aggarwal & Co.,**
Chartered Accountants

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

Place : Hisar
Dated : 2nd August, 2010

Consolidated Balance Sheet As At 31st March, 2010

DESCRIPTION	SCHEDULE	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS :			
Share Capital - Equity	1	513.62	513.62
Reserves and Surplus	2	32,162.37	65,041.57
		32,675.99	65,555.19
CAPITAL RESERVE ON CONSOLIDATION		364.39	364.39
(Note no. 9)			
LOAN FUNDS :			
Secured Loans	3	2,144.15	2,402.55
Unsecured Loans	4	56.43	63.23
		2,200.58	2,465.78
TOTAL		35,240.96	68,385.36
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	1.55	1.55
Less: Depreciation		0.55	0.46
NET BLOCK		1.00	1.09
INVESTMENTS	6	21,711.92	55,164.38
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	660.02	641.77
Sundry Debtors	8	571.71	551.90
Cash and Bank Balances	9	167.81	34.08
Loans and Advances	10	11,628.86	11,245.09
		13,028.40	12,472.84
LESS:CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	901.78	989.79
Provisions	12	3.13	2.27
		904.91	992.06
NET CURRENT ASSETS		12,123.49	11,480.78
DEFERRED TAX ASSETS (Net)		181.37	191.33
(Note No.17)			
MINORITY INTEREST		1,223.18	1,547.77
TOTAL		35,240.96	68,385.36
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS 18			

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For N.C. Aggarwal & Co.
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

Consolidated Profit and Loss Account for the year ended 31st March, 2010

DESCRIPTION	SCHEDULE	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
INCOME			
Operational Income	13	2,366.44	3,744.64
Other Income	14	3.63	1.06
		2,370.07	3,745.70
EXPENDITURE			
(Increase)/Decrease in Stock	15	(18.25)	18.25
Personnel	16	9.68	7.27
Administrative and Other Expenses	17	70.96	69.84
Depreciation		0.09	0.09
		62.48	95.45
PROFIT BEFORE TAX		2,307.59	3,650.25
Less :-			
Provision for Taxation		511.44	427.23
MAT Credit Entitlement		(120.59)	(0.21)
Previous year taxation adjustment		0.33	0.13
Provision for Fringe Benefit Tax		-	0.08
Withdrawn of Deferred Tax Asset		9.96	20.00
PROFIT AFTER TAXATION		1,906.45	3,203.02
Less: Minority Interest in (Profit)/Loss		(324.59)	561.59
Add: Share of Profit / (Loss) of Associates		(1.28)	6,505.06
PROFIT AFTER TAXATION & MINORITY INTEREST		1,580.58	10,269.67
ADD/(LESS)			
Surplus brought forward		36,258.64	27,429.18
Change/Cessation in share of accumulated Profit of Associate		(34,801.19)	(542.02)
Translation Exchange Difference (net)		341.41	(672.62)
PROFIT AVAILABLE FOR APPROPRIATION		3,379.44	36,484.21
APPROPRIATIONS:			
Transfer to Statutory Reserve		182.17	225.57
Balance Carried to Balance Sheet		3,197.27	36,258.64
		3,379.44	36,484.21
Earning Per Share (in Rs.)(Note No. 18)			
Basic and diluted		30.77	199.95
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS 18			

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For N.C. Aggarwal & Co.
Chartered Accountants

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

MAHENDER KUMAR GOEL
Executive Director & CEO

RAJINDER PARKASH
Director

Place : Hisar
Date : 2nd August, 2010

RAKESH GARG
Director

BHARTENDU HARIT
Company Secretary

Consolidated Schedules to the Balance Sheet

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "1"		
SHARE CAPITAL		
AUTHORISED		
150,00,000 Equity shares of Rs.10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
ISSUED, SUBSCRIBED AND PAID UP		
51,36,163 - Equity shares of Rs.10/- each fully paid up	513.62	513.62
TOTAL	513.62	513.62
SCHEDULE - "2"		
RESERVES AND SURPLUS		
a) SECURITIES PREMIUM ACCOUNT		
As Per Last Account	3,004.20	3,004.20
	3,004.20	3,004.20
b) GENERAL RESERVE		
As Per Last Account	7,693.28	7,693.28
	7,693.28	7,693.28
c) CAPITAL RESERVE (Demerger Account)		
	17,276.90	17,276.90
	17,276.90	17,276.90
d) STATUTORY RESERVE		
As Per Last Account	808.55	582.98
Add : Transfer from Profit & Loss Account	182.17	225.57
	990.72	808.55
e) SURPLUS - PROFIT AND LOSS ACCOUNT		
TOTAL	32,162.37	65,041.57
SCHEDULE - "3"		
SECURED LOANS:		
From Shareholders	2,144.15	2,402.55
TOTAL	2,144.15	2,402.55

Consolidated Schedules to the Balance Sheet

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "4"		
UNSECURED LOANS		
Loan from Others	56.43	63.23
TOTAL	56.43	63.23

SCHEDULE "5"

FIXED ASSETS											(Rs.in Lacs)
DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2009	Additions/ Adjustments during the year	Sales/ Adjustments during the year	Total as on 31.03.2010	Upto last year	During the Year	On Sales/ Adjustments	Total as on 31.03.2010	31.03.2010	31.03.2009	
Furniture, Fixture & Equipments	1.14	-	-	1.14	0.36	0.07	-	0.43	0.71	0.78	
Other Assets	0.41	-	-	0.41	0.10	0.02	-	0.12	0.29	0.31	
Total	1.55	-	-	1.55	0.46	0.09	-	0.55	1.00	1.09	
Previous Year	1.55	-	-	1.55	0.37	0.09	-	0.46	1.09	-	

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "6"		
INVESTMENTS - (NON-TRADE) LONG TERM		
IN ASSOCIATE		
Cost of Investment (Fully Paid up) [Net of Rs.NIL(Previous year Rs. 887.70 Lacs) of Capital Reserve arising on acquisition]	2,086.90	2,436.74
Less : Provision for Doubtful Investment	-	(13.23)
Add: Share of Post Acquisition Profit/(Loss)	(115.37)	34,687.09
	1,971.53	37,110.60
OTHERS		
QUOTED SHARES (Fully Paid up) (Net of provision Rs. 13.23 Lacs)	11,571.76	11,235.14
UNQUOTED SHARES (Fully Paid up) [Net of provision Rs. 46.26 Lacs (Previous year Rs.46.26 Lacs)]	8,168.63	6,818.64
TOTAL	21,711.92	55,164.38
Market Value of Quoted Investment	238,472.90	42,772.69

Note:-

- 37,04,658 (Previous Year 77,79,658) Equity Shares of JSW Steel Limited have been pledged with a Financial Institutions, for financial assistance taken by other body corporate.

Consolidated Schedules to the Balance Sheet

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and Certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
Stock in Trade-Shares/Debentures (at cost)	660.02	641.77
TOTAL	660.02	641.77
Note:-		
1. 5,28,383 (Previous Year 5,28,383) Equity Shares of JSW Steel Limited have been pledged with a Financial Institutions, for financial assistance taken by other body corporate.		
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless other wise stated)		
Exceeding Six months		
Considered good	164.70	184.54
Others - Considered good	407.01	367.36
TOTAL	571.71	551.90
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash on Hand	4.80	3.14
Balance with Scheduled Banks		
In Current Accounts	163.01	28.44
Margin Money	-	2.50
TOTAL	167.81	34.08

Consolidated Schedules to the Balance Sheet

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "10"		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in kind or for value to be received		
Considered Good	17.48	70.06
Considered Doubtful	5.61	9.08
Less : Provision for Doubtful Advances	(5.61)	(9.08)
	17.48	70.06
Loan to Body Corporates		
Considered Good	11,369.44	10,916.56
Considered Doubtful	748.78	748.78
Less: Provision for Doubtful Loan	(748.78)	(748.78)
	11,369.44	10,916.56
Pre-paid Taxes (Net of Provision)	121.14	258.18
MAT Credit Entitlement	120.80	0.21
Balance with Central Excise	-	0.08
TOTAL	11,628.86	11,245.09
SCHEDULE - "11"		
CURRENT LIABILITIES		
Sundry Creditors		
To Micro & Small Enterprises	-	-
To Others	659.81	737.72
Other Outstanding Liabilities	236.57	243.11
Liability towards Investor's Education Protection Fund u/s 205 C of the Companies Act 1956, not due:		
i) Unpaid dividend	5.40	8.96
TOTAL	901.78	989.79
SCHEDULE - "12"		
PROVISIONS:		
For Leave Encashment	1.04	0.70
For Gratuity	2.09	1.57
TOTAL	3.13	2.27

Consolidated Schedules to the Profit & Loss Account

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "13"		
OPERATIONAL INCOME		
Dividend Received on Long Term Investments	611.04	1,251.85
Dividend Received on Current Investments	19.73	73.97
Corporate Guarantee Commission (TDS Rs. 0.76 Lacs)	7.58	-
Profit on sales of Current Investment (Mutual Fund)	66.61	-
Interest on loan and advances [TDS Rs. 65.10 Lacs (Previous Year Rs.184.77 Lacs)]	583.28	835.10
Interest on Others [TDS Rs. 9.84 Lacs (Previous Year Rs. 24.63 Lacs)]	53.20	108.72
Consulting Charges [TDS Rs. 111.41 Lacs (Previous Year Rs. 184.33 Lacs)]	1,025.00	1,475.00
TOTAL	2,366.44	3,744.64
SCHEDULE - "14"		
OTHER INCOME		
Provision for Doubtful Debts/Advances Written Back	3.47	0.71
Miscellaneous Receipt	0.16	0.35
TOTAL	3.63	1.06
SCHEDULE - "15"		
(INCREASE)/ DECREASE IN STOCK		
Opening Stock		
Stock-in-trade:Shares/Debentures	641.77	660.02
TOTAL - A	641.77	660.02
Less: Closing Stock		
Stock-in-trade:Shares/Debentures	660.02	641.77
TOTAL - B	660.02	641.77
TOTAL -C (A - B)	(18.25)	18.25
GRAND TOTAL	(18.25)	18.25

Consolidated Schedules to the Profit & Loss Account

DESCRIPTION	(Rs. in Lacs) 31st MARCH.2010	(Rs. in Lacs) 31st MARCH, 2009
SCHEDULE - "16"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	9.21	6.84
Contribution to provident and other Funds	0.47	0.43
TOTAL	9.68	7.27
SCHEDULE - "17"		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent	0.92	5.44
Rates and Taxes	3.77	2.16
Legal and Professional	40.94	41.22
Postage, Telegram, Telex and Telephone	2.32	2.33
Printing and Stationery	2.26	2.43
Director's Meeting Fees	1.20	0.60
Auditors' Remuneration	5.53	3.83
Directors' Remuneration	10.07	9.06
Advertisement & Publicity	1.11	0.28
Financial Expenses / Bank Charges	0.10	0.16
Miscellaneous	2.74	2.33
TOTAL	70.96	69.84

Consolidated Notes to Accounts

SCHEDULE - '18'

Notes to Consolidated Financial Statements of the Company & its Subsidiaries for the year ended 31st March, 2010.

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	100%	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%

* Represent voting power

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

ASSOCIATES :

Jindal Saw Limited (Upto 31st March, 2009)*	India	-	20.55%
Brahmputra Capital & Financial Services Ltd.	India	49 %	49 %

* The Company is no longer a associate as share holding comes down less than 20%.

- 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 unrealized 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 interests 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.
- e) The Financial Statements of the subsidiaries, associates used in the consolidation are drawn up to the same reporting date as that of the company i. e. 31st March, 2010.
- f) Foreign Subsidiaries Conversion – Revenue items have been consolidated at the average rate prevailing during the year. Fixed Assets have been translated at the rate prevailing on the dates of their acquisition and depreciation provided accordingly. Other current assets and liabilities are converted at the rates prevailing at the end of the year. Exchange Gain/ (Loss) are recognized in the profit and loss account.

2. Contingent Liabilities not provided for in respect of :

	(Rs. In Lacs) Current Year	(Rs. In Lacs) Previous Year
a) Counter Guarantee given to company's Bankers for the Guarantee given by them on behalf of company	-	2.50
b) Disputed duties/Tax Liabilities (against which company has preferred appeals)	498.05	222.89
c) Liability towards Corporate Guarantee given to Bank against credit facilities availed by other body corporate.	3177.63	-

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. Loans to Body corporate **Rs 11369.44 Lacs** (previous year Rs. 10916.56 lacs) are repayable on demand the management is confident of recovering the same as and when recalled and hence amount outstanding have been considered good and recoverable.
5. 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 and 80 % of the Mauritius Tax payable on foreign source income such that the effective rate of tax is 3%.

Consolidated Notes to Accounts

6. In opinion of the board, Current Assets, Loans & Advances have a realizable value, in the ordinary course of business at least equal to the amount at which they are stated.
7. In 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.
8. (a) In JSAL, 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.
(b) In MSI, balances of Sundry Debtors and Creditors are subject to confirmation. In the absence of the same, effect of the same on Profit & Loss Account could not be determined.
9. Capital reserve on Consolidation represents net of Goodwill of **Rs. 20.92 lacs.**(Previous Year Rs. 20.92 lacs)
10. In MSI due to uncertain economic and financial conditions prevailing in the US economy and continuing cash losses, management on September 30, 2002 had announced the shut down of the operations of the company. During the year ended 31.03.2004 the company has sold its substantial assets other than the land, buildings and the waste water treatment plant to Overseas Buyers and the proceeds of the sale are being utilized to part satisfy the Secured Loans.
During the year ended 31st March, 2007 the company has entered into a settlement and Release Agreement with Massillon Development Group (Development) wherein the Land and asset attach to the premises and upon payment of USD 125000 by the company (to settle unpaid real estate taxes) were transferred to Development for release of outstanding term loan from State of Ohio & other creditors as mentioned in Release Deed. The company has accounted for the same in consideration of such Release agreement.
11. In MSI, the Company is not a **Going Concern** as all the Fixed Assets is sold out and the Company will not be able to continue in operation for the foreseeable future. The management has also no intention to run the plant in future.
12. Previous year's figure have been regrouped /rearranged wherever considered necessary.

13 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)

				(Rs. In Lacs)
Particulars	Domestic	Overseas	Total	
Revenue				
1 Operational Income	2,366.26	0.18	2,366.44	
	3,744.64	-	3,744.64	
Other Income	3.63	-	3.63	
	1.06	-	1.06	
Total Revenue	2,369.89	0.18	2,370.07	
	3,745.70	-	3,745.70	
2 Segment Assets	34,450.68	169.50	34,620.18	
	67,191.54	188.38	67,379.92	
3 Segment Liabilities	99.52	3,005.97	3,105.49	
	99.03	3,358.81	3,457.84	
4 Cost incurred to acquire Segment Assets during the year	-	-	-	

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 :
 - i) Revenue within India include revenue from customers located within India
 - ii) Revenue outside India include revenue from customers located outside India

Consolidated Notes to Accounts

14 Related Parties Transactions

A List of Related Parties & 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)

b) Associates :

Jindal Saw Limited (Upto 31st March, 2009)
Brahmputra Capital & Financial Services Limited

c) Enterprise over which Key management personnel and their relatives exercise significant influence with whom transactions have been taken place during the year.

JSW Steel Limited

(Rs. in Lacs)									
B) Transactions	CURRENT YEAR				PREVIOUS YEAR				
	Description	Key Management Personnel	Associate	Enterprises controlled by key Management Personnels & their relatives	Total	Key Management Personnel	Associate	Enterprises controlled by key Management Personnels & their relatives	Total
<u>Remuneration</u>									
	Sh.Mahender Kumar Goel (NSIL)	10.07	-	-	10.07	9.06	-	-	9.06
	Sh. Bhartendu Harit (NSIL)	7.16	-	-	7.16	5.75	-	-	5.75
<u>Dividend</u>									
	JSW Steel Limited (NSIL)	-	-	45.49	45.49	-	-	636.80	636.80
	JSW Steel Limited (JSAL)	-	-	16.57	16.57	-	-	231.95	231.95
	JSW Steel Limited (JHL)	-	-	30.78	30.78	-	-	430.88	430.88
Outstanding Balance as on 31.03.2010									
<u>Equity Investment Outstanding</u>									
	Jindal Saw Limited (NSIL)	-	-	-	-	-	349.84	-	349.84
	Brahmputra Capital & Financial Services Ltd.(NSIL)	-	2,086.90	-	2,086.90	-	2,086.90	-	2,086.90
	JSW Steel Limited (NSIL)	-	-	1,986.90	1,986.90	-	-	1,986.90	1,986.90
	JSW Steel Limited (JHL)	-	-	5,490.29	5,490.29	-	-	5,490.29	5,490.29
	JSW Steel Limited (JSAL)	-	-	2,434.91	2,434.91	-	-	2,434.91	2,434.91
Provision outstanding for diminution in investment									
	Jindal Saw Limited (NSIL)	-	-	-	-	-	13.23	-	13.23
<u>Investment Pledged</u>									
	JSW Steel Limited (NSIL)	-	-	206.76	206.76	-	-	1,986.78	1,986.78
	JSW Steel Limited (JHL)	-	-	5,490.29	5,490.29	-	-	5,490.29	5,490.29
Other payable									
	Jindal Saw Limited (NSIL)	-	-	-	-	-	6.22	-	6.22

Consolidated Notes to Accounts

- 15 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.

PARTICULARS	(Rs. 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				
where there is no repayment schedule				
Nalwa Metal & Alloys Limited *	54.66 **	54.66 **	54.66	54.66
Mansarovar Investments Ltd.	1,903.20	1,746.80	1,903.20	1,863.69
Jindal Equip. Leasing & Consultancy Services Ltd.	824.93	364.20	824.93	3,336.34
Everplus Securities & Finance Ltd.	1,572.72	1,478.94	1,572.72	1,851.52
Renuka Financial Services Limited	1,874.93	1,716.13	1,874.93	1,716.13
Goswamis Credits & Investment Ltd.	661.00	604.97	661.00	604.97
Gagan Trading Co. Ltd.*	7.45 **	7.45**	7.45	7.45
JSL Limited	-	3,384.18	3,384.18	3,384.18
JSW Steel Limited.*	516.63**	516.63 **	516.63	516.63
Lexicon Finance Limited*	170.04 **	170.04 **	170.04	170.04
Austenitic Creations Pvt. Ltd.	1,740.59	-	1,740.59	-
Green Delhi BQS Limited	1,579.83	-	1,579.83	-

* Provision for Non Performing Assets provided for.

** No Interest charged for the current year.

- 16 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the parent company's financial statements

17 DEFERRED TAX LIABILITY/(ASSET) (NET)

Particulars	Deferred Tax Liability/ (Assets) 31.03.2009	(Rs. in Lacs)	
		Current Year charge/ credit	Deferred Tax Liability/ (Assets) 31.03.2010
A) Deferred Tax Liability			
Difference between book & tax depreciation	0.12	-	0.12
Total Deferred Tax Liability - A	0.12	-	0.12
B) Deferred Tax Assets			
1 Disallowance under Income Tax Act, 1961	0.77	0.16	0.93
2 Provision for doubtful debts & advances	178.36	2.20	180.56
3 Brought forward long term/short term capital losses	12.32	(12.32)	-
Total Deferred Tax Assets - B	191.45	(9.96)	181.49
Deferred Tax Liability (Assets) (Net) (A-B)	(191.33)	9.96	(181.37)

Consolidated Notes to Accounts

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

	2009-10 Current Year (Rs.in Lacs)	2008-09 Previous Year (Rs.in Lacs)
Basic and Diluted EPS :-		
Profit/(Loss) after tax attributable to Equity Shareholders	1,580.58	10,269.67
No. of Shares issued	5,136,163	5,136,163
Basic & Diluted EPS (in Rs.)	30.77	199.95

19 a) **Director's Remuneration :-**

	Current Year (Rs.in Lacs)	Previous Year (Rs.in Lacs)
Paid to Executive Director		
Salary	9.54	8.56
Provident Fund	0.53	0.50
	10.07	9.06

b) **Auditors Remuneration includes the following :**

Payment to Auditors		
Audit Fee	2.98	2.95
Tax Audit Fee	0.24	0.23
Certification Work etc.	2.31	0.65
	5.53	3.83

20 Previous year's figures have been re-arranged and regrouped wherever considered necessary.

21 Schedule 1 to 18 are annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

Signature to Schedule 1 to 18

In terms of our report of even date annexed hereto

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

Place : Hisar
Date : 2nd August, 2010

MAHENDER KUMAR GOEL
Executive Director & CEO

RAKESH GARG
Director

RAJINDER PARKASH
Director

BHARTENDU HARIT
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2010

PARTICULARS	2009-10 Rs in lacs	2008-09 Rs in lacs
A) CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITIES		
Net Profit before Tax	2,307.59	3,650.25
Adjustments for :-		
Depreciation	0.09	0.09
Translation exchange difference (net)	341.41	(672.62)
Dividend Income	(630.77)	(1,325.82)
Interest Income	(583.28)	(835.10)
Provision for Doubtful debts/Advances Written Back	(3.47)	- (2,833.45)
Operating Profit before working capital changes	1,431.57	816.80
Adjustments for :-		
Inventories	(18.25)	18.25
Sundry Debtors	(19.81)	(405.37)
Loans & Advances	(396.75)	(919.22)
Current Liabilities	(83.59)	228.31 (1,078.03)
CASH GENERATED FROM OPERATION	913.17	(261.23)
Direct Tax Advance/Refund	(374.73)	(490.67)
Interest Received	583.28	835.10
Dividend Received	630.77	1,325.82 1,670.25
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,752.49	1,409.02
B) CASH INFLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES		
(Increase)/Decrease in Investments	(1,350.00)	(1,800.00)
Miscellaneous Expenditure	- (1,350.00)	- (1,800.00)
NET CASH INFLOW FROM INVESTMENT ACTIVITIES	(1,350.00)	(1,800.00)

Consolidated Cash Flow Statement for the year ended 31st March, 2010

PARTICULARS	2009-10 Rs in lacs	2008-09 Rs in lacs
C) CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		
Dividend Paid	(3.56)	(10.53)
Increase / (Decrease) in Secured Loans	(258.40)	509.67
Increase / (Decrease) in unsecured loans	(6.80)	(122.08)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(268.76)	377.06
NET CHANGES IN CASH AND CASH EQUIVALENT	133.73	(13.92)
Cash and cash equivalent (opening balance)	34.08	48.00
Cash and cash equivalent (closing balance)	167.81	34.08

NOTE:

1. Cash and Cash Equivalent includes Cash and Bank Balances only.
2. Increase in secured and unsecured loans are shown net of repayments.
2. Cash and Cash equivalent include loss on foreign exchange re-instatement of Rs. 0.33 Lacs (Gain in Previous year Rs. 0.67 Lacs)
4. Previous year's figures have been regrouped wherever necessary

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **N.C. Aggarwal & Co.**
Chartered Accountants

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

Place : Hisar
Date : 2nd August, 2010

MAHENDER KUMAR GOEL
Executive Director & CEO

RAKESH GARG
Director

RAJINDER PARKASH
Director

BHARTENDU HARIT
Company Secretary

		Rs. in Lacs			
Sl. No.	Name of Subsidiary Company	Jindal Holdings Limited	Jindal Steel & Alloys Limited	Jindal Stainless (Mauritius) Limited	Massillon Stainless Inc.
1	Capital	1,849.98	702.00	4,938.99	2,165.45
				USD 10,700,000.00	USD 4,714,000.00
2	Reserves	5,393.32	6,800.87	(4,953.01)	(8,831.77)
				USD (10,731,060.92)	USD (19,482,085.10)
3	Total Assets	8,870.41	7,545.48	4.80	164.70
				USD 10,635.11	USD 364,856.61
4	Total Liabilities	8,870.41	7,545.48	4.80	164.70
				USD 10,635.11	USD 364,856.61
5	Investments	7,804.42	6,113.91	-	-
				USD 1.00	USD -
6	Turnover/Total Income	69.51	1,098.11	0.18	-
				USD 375.00	USD -
7	Profit/(Loss) before Taxation	87.18	1,096.68	(7.33)	(0.12)
				USD (15,316.50)	USD (241.60)
8	Provision for Taxation	0.37	186.48	-	-
				USD -	USD -
9	Profit/(Loss) after Taxation	86.81	910.20	(7.33)	(0.12)
				USD (15,316.50)	USD (241.60)
10	Proposed Dividend	-	-	-	-
				USD -	USD -

NALWA SONS INVESTMENTS LIMITED

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

ATTENDANCE SLIP

D.P. Id.*	
-----------	--

Folio No.	
-----------	--

Client Id.*	
-------------	--

I/We hereby record my/our presence at the 39th annual general meeting of the company at N.C. Jindal Public School, Road No.73, West Punjabi Bagh, New Delhi-110026 on Thursday, 30th day of September, 2010 at 3.30 p.m.

Name of the member

(in Block Letters)

Signature of the member/ proxy

NOTE:

1. You are requested to sign and hand over this at the entrance.
2. If you are attending the meeting in person or by proxy, your copy of the balance sheet may please be brought by you/your proxy for reference at the meeting.

* *Applicable for members holding shares in demat form.*

.....TEAR HERE.....

NALWA SONS INVESTMENTS LIMITED

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

FORM OF PROXY

D.P. Id.*	
-----------	--

Folio No.	
-----------	--

Client Id.*	
-------------	--

I/We of

in the district of.....being a member/ members of the

above named company hereby appoint

of.....in the district of

..... or failing him

..... in the district of as my/our proxy to vote

for me/us on my/our behalf at the 39th annual general meeting of the company to be held on Thursday, 30th day of September, 2010 at 3.30 p.m. or at any adjournment thereof.

Signed this _____ day of September, 2010

Affix 15 Ps.
Revenue
Stamp
Signature

NOTE:

1. The form should be signed across the stamp, as per specimen signature registered with the company.
2. The proxy must be deposited at the registered office of the company at 28, Najafgarh Road, Moti Nagar Industrial Area, New Delhi –110 015 not less than 48 hours before the time of holding the meeting.
3. This form is to be used in favour of/against the resolution. Unless otherwise directed, the proxy will vote as he thinks fit.
4. A proxy need not be a member.

* *Applicable for members holding shares in demat form.*

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

BOOK - POST

“Postage paid in advance at Hisar H.O. on 25.08.2010
for posting on 1.9.2010 to 4.9.2010 under business post.”

If Undelivered, please return to :

NALWA SONS INVESTMENT LIMITED

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

Printed by : INDRAKSHI