

DALAL STREET INVESTMENTS LIMITED**(For Private Circulation to the equity shareholders of the Company)**A Public Company incorporated on 18th November, 1977 under the Companies Act, 1956**Registered Office:** Vishnu Smruti Apartments, 425 / 35, TMV Colony, Gultekadi, Pune, Maharashtra 411037.**Tel.:** (020)-24269194 **Fax.:** (020) 24260548**Corporate Office:** 68-B, Nariman Bhavan, 227, Nariman Point, Mumbai – 400021.**Tel:** (022) 22024555 **Fax:** (022)-22885638**E-mail :** investors@dsgroups.in **Website:** www.dsgroups.in**Contact Person:** Mr. Pavankumar Sanwormal, Director

OFFER OF **90,074** EQUITY SHARES OF Rs. 10/- EACH FOR CASH AT PAR (OFFER PRICE OF RS. 10/-) TO THE EXISTING EQUITY SHAREHOLDERS WHO ARE NON-PROMOTERS OF THE COMPANY AGGREGATING TO RS. 9,00,740/- ON A "RIGHTS" BASIS OFFER IN THE RATIO OF 2 (TWO) EQUITY SHARES OF THE FACE VALUE OF RS. 10/- EACH FOR CASH AT PAR FOR EVERY 1 (ONE) EQUITY SHARE OF RS. 10/- EACH HELD ON RECORD DATE

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer including the risks involved.

The attention of investors is drawn to the statement of Risk Factors appearing on page no. 5 of this Letter of Offer.

ISSUERS ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on BSE Limited (BSE). The Equity Shares of the Company are proposed to be listed on the BSE Limited (BSE). The Company has submitted this Letter of Offer with BSE and the same has been made available on the website of BSE (www.bseindia.com).

The Company has received "in-principle" approval from BSE for listing of securities being offered through this Letter of Offer vide their letter No. DCS/PREF/SI-RT/066/13-14 dated 16th May, 2013.



**UNIVERSAL CAPITAL
SECURITIES PVT LTD.**

Formerly Known as Mondkar Computers Pvt. Ltd.

REGISTRAR TO THE OFFER

Universal Capital Securities Private Limited
21, Shakil Niwas, Mahakali Caves Road, Andheri (East)
Mumbai 400093

Contact Person: Mr. Devanand Dalvi

Tel:+91 (22) 2820 7203-05 / 2825 7641

Fax: +91 22 2820 / 7207

Email: info@unisec.in

SEBI Registration No.: INR000004082

Offer Opens On	Last Date For Receiving Request For Split Application Forms	Offer Closes On
Wednesday, 26 th June, 2013	Wednesday, 3 rd July, 2013	Wednesday, 10 th July, 2013

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I. DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

Act	The Companies Act, 1956
Articles	Articles of Association of Dalal Street Investments Limited
Board	Board of Directors of Dalal Street Investments Limited
BSE	BSE Limited
CARO	Companies (Auditors' Report) Order, 2003
CDSL	Central Depository Services (India) Limited
Company	Dalal Street Investments Limited, a Public Limited Company incorporated under the Companies Act, 1956
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended from time to time
Directors	Directors on the Board of Dalal Street Investments Limited
Depository Participant /DP	A depository participant as defined under the Depositories Act
Equity Shares	Fully paid-up shares of Rs.10/- each of the Company
Equity Shareholders	A holders of Equity Share(s) as on the Record Date
Investor(s)	The Equity Shareholders of the Company as on the Record Date and Renounces
Issuer/Company	Dalal Street Investments Limited
I T Act	Income Tax Act, 1961 and subsequent amendments thereto
MCA	Ministry of Corporate Affairs
MOA	Memorandum of Association of Dalal Street Investments Limited
NSDL	National Securities Depository Limited
Offer/Rights Issue	The Offer of 90,074 Equity Shares of Rs.10/- each for Cash at par to the existing Equity Shareholders to the Non-Promoters of the Company on a rights basis, in the ratio of 2 (Two) Equity Shares of Rs.10/- each at par for every 1 (One) Equity Share held on Record Date.
Offer Closing Date	The date on which the Offer closes for subscription
Offer Opening Date	The date on which the Offer opens for subscription
Offer Period	The period between the Offer Opening Date and Offer Closing Date and includes both these dates
Offer Price	The price at which the equity shares will be offered by the Company under this Letter of Offer
RBI	Reserve Bank of India
Registrar and Share Transfer Agent / Registrars	Universal Capital Securities Private Limited 21, Shakil Niwas, Mahakali Caves Road, Andheri (East) Mumbai 400093 Contact Person: Mr. Devanand Dalvi Tel: +91 (22) 2820 7203-05 / 2825 7641 Fax: +91 22 2820 / 7207 Email: info@uniseq.in www.uniseq.in
ROC	Registrar of Companies, Maharashtra, Pune
Record Date	Tuesday, 11 th June, 2013
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992

In the Letter of Offer all reference to 'Rs.' refer to Rupees, the lawful currency of India, reference to one gender also refers to another gender and the word 'Lakh' or 'Lac' means 'one hundred thousand' and the word 'million' means 'ten lacs' and the word 'crore' means 'ten million'

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from our restated financial statements. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

All references to "India" contained in this Letter of Offer are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled "Definitions, Abbreviations and Industry Related Terms" of this Letter of Offer.

Unless stated otherwise, industry data used throughout this Letter of Offer has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Letter of Offer is reliable, it has not been independently verified.

FORWARD-LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expression.

"Forward looking statements". Similarly, statements that describe our objectives, plans or goals also are forward-looking statements, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to: General economic and business conditions in India and other countries; Regulatory changes and our ability to respond to them; Our ability to successfully implement our strategy, our growth and expansion plans;

TECHNOLOGICAL CHANGES;

Our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments;

The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial, markets in India and globally;

Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" of this Letter of Offer their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future profits or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

II. RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

An investment in equity securities involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. Occurrence of any of the following risks as well as the other risks and uncertainties discussed in this Letter of Offer could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss to the investor.

PERSONNEL RISK

The Company's success to a large part depends on the abilities and continued services of its senior management, as well as other skilled personnel, including creative and programming personnel. The Company's senior management is particularly important to its business because of their experience and knowledge of the industry. The loss or non-availability to the Company of any of its senior management could have significant adverse affect. The Company may also not be able to either retain its present personnel or attract additional qualified personnel as and when needed. To the extent the Company will be required to replace any of its senior management or other skilled personnel, there can be no assurance that the Company will be able to locate or employ similarly qualified persons on acceptable terms or at all.

BUSINESS RISK IN GENERAL

Our business is fluctuating and highly competitive and there can be no assurance that we will be successful in future. The Indian Securities Markets are more volatile than Securities Markets of developed countries. Indian Stock Exchanges have experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker's defaults, settlement delays, and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that in some cases have a negative effect on market sentiment. Similarly, adverse conditions in global securities market have also adversely affected sentiments in Indian Markets. If similar problems occur in the future, market price and liquidity of Equity shares could be adversely affected.

EXTERNAL RISK

Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations governing the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investment in Our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect Our Company's business.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the

market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Natural disasters could disrupt our operations and result in loss of revenues and increased costs.

The business of Our Company is exposed to man-made and natural disasters such as, explosions, earthquakes, storms and floods as well as to terrorist attacks or other enemy actions. The occurrence of a man-made or natural disaster, terrorist attack, enemy action or other accidents could disrupt the operations of the business of Our Company and result in loss of revenues and increased costs.

Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include income tax, service tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax benefits that results in a decrease in the effective tax rate compared to the tax rates that we estimate would have applied if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

After this Offer, the price of Our Company's Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.

The prices of Our Company's Equity Shares on the Indian stock exchanges may fluctuate after this Offer as a result of the factors, including:

- Volatility in the Indian and global securities market;
- Company's results of operations and performance;
- Performance of Company's competitors in finance industry,
- Adverse media reports on Company or pertaining to the Indian Finance industry;
- Changes in the estimates of Company's performance or recommendations by financial analysts;
- Significant developments in India's economic liberalization and deregulation policies;
- Significant developments in India's fiscal and environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for the industry. There are no standard valuation methodologies or accounting practices in the finance industry and the financial of the issuer are not comparable with the players in the Industry. The prices of its Equity Shares of the Company may fluctuate after this Offer. There can be no assurance that an active trading market for Company's Equity Shares will develop or be sustained after this Issue, or that the prices at which it's Equity Shares are initially traded will correspond to the prices at which its Equity Shares will trade in the market subsequent to this Offer.

RISK RELATE TO EQUITY SHARES:

Future sales of Equity Shares by shareholders or any future equity offerings by us may adversely affect the market price of the Equity Shares.

If we do not have sufficient internal resources to fund our working capital or capital expenditure needs in the future, we may need to raise funds through further equity

offerings. As a purchaser of the Equity Shares, you may experience dilution to your shareholding to the extent that we conduct future equity or convertible equity offerings. Such dilutions can adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

After listing, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

The prices of our Equity Shares may fluctuate after listing due to a wide variety of factors, including volatility in the Indian and global securities markets; our operational performance, financial results and capacity expansion; developments in India's economic liberalization and deregulation policies, particularly in the Information Technology sector; and changes in India's laws and regulations impacting our business. There is no assurance that an active trading market for our Equity Shares will develop or be sustained after listing.

Management Perception:

Company is mainly into the business of investment and trading activities. The Company's Income mainly depends on the trading in the securities. During last 3 years, there was a profit after tax of Rs. 32,79,005 (2012-2013), profit of Rs. 25,37,140 (2011 - 12) and loss of Rs. 7,62,898 (2010-11), while a loss of Rs. 1,84,13,798 (2009 -10). But company expects of making profit in years to come.

III. BUSINESS SUMMARY AND OFFER SUMMARY:

This is only a summary. Investors should read the following summary with the Risk Factors mentioned and the more detailed information about us and our financial statements included elsewhere in this Letter of offer

BUSINESS SUMMARY:

Industry and Business Overview

Presently company is directed and controlled, keeping in mind long term interest of Shareholders. The purpose is to achieve business excellence and dedicated itself to transparency in all its dealing in places and business efforts. During the year the Company faced market fluctuation, high interest cost.

OFFER SUMMARY:

Pursuant to the resolutions passed by the shareholders in the Extra-Ordinary General Meeting held on 25th March, 2013 and resolution passed by the Board of Directors of the Company at its meeting held on 25th February, 2013 it has been decided to make the following offer to the Non Promoters of the Company, with right to renounce:

Equity Shares offered by our Company	90,074 Equity Shares of Rs. 10/- each
Rights Entitlement for Equity Shares	2 (Two) Equity Shares of the face value Rs.10/ each for Cash at Par for every 1(One) Equity Shares of the face value Rs. 10/- each held on the Record Date
Record Date	Tuesday, 11 th June, 2013
Offer Price per Equity	Rs.10/-
Paid up Equity Shares outstanding prior to the Offer	2,25,000 Equity Shares of Rs.10/- each
Paid up Equity Shares outstanding after	3,15,074 Equity Shares of Rs.10 /- each

the Offer	
Use of Offer proceeds	See section titled “ Objects of the Offer ”
Terms of the Offer	See section titled “ Terms of the Offer ”
Risk Factors	See section titled “ Risk factors and Management Perceptions Thereof ”
Security Codes	ISIN: INE422D01012 BSE Code: 501148

IV. GENERAL INFORMATION

DALAL STREET INVESTMENTS LIMITED

A Public Company incorporated on 18th November, 1977 under the Companies Act, 1956

Registered Office: Vishnu Smruti Apartments, 425 / 35, TMV Colony, Gultekadi, ,Pune, Maharashtra 411037 **Tel.** (020)-24269194 **Fax:** (020)-24260548

CIN No. L65990PN1977PLC141282

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Megha Dave

Address - 68-B, Nariman Bhavan,
227, Nariman Point,
Mumbai - 400 0021.

Tel No: (022) 22024555

Fax No: (022) 22885638

AUDITORS

M/S A.K. Nevatia & Associates.

Chartered Accountants,

19, Laxminarayan shopping centre,
Poddar road, Malad (East), Mumbai-400097

Tel no.: 28836667

Fax no. 28829045

Email: ak_nevatia@yahoo.com

SHARE TRANSFER AGENT

Universal Capital Securities Private Limited

21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai 400093

Tel:+91 (22) 2820 7203-05 / 2825 7641

Fax: +91 22 2820 / 7207

Contact Person: Mr. Devanand Dalvi

Email: info@unisec.in

www.unisec.in

SEBI Registration No.: INR000004082

BANKERS TO THE COMPANY

Citi Bank NA, Mumbai

Kotak Mahindra Bank, fort, Mumbai.

LISTING

The existing Equity Shares of the Company are listed on BSE Limited

The Company has received “in-principle” approval from BSE Limited vide its Letter No DCS/PREF/SI-RT/066/13-14 dated 16th May, 2013 for listing of securities being offered through this Letter of Offer for the purpose of this Offer, the Designated Stock Exchange is BSE

PROMINENT NOTES:

Offer of 90,074 Equity Shares of Rs. 10/- each for cash at par at Rs.10/- per share (Offer price of Rs. 10/-) to the existing equity shareholders who are non- promoters of the Company aggregating to Rs. 9,00,740/- (offer size Rs.9,00,740/-) on a “Rights” basis in the ratio of 2 (two) Equity Shares of the face value of Rs. 10/- each for cash at par for every 1 (one) Equity share held on record date.

Net worth of the Company before the Offer as on 31st March, 2013 was Rs. (4,14,31,518)/-

OFFER SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Offer Opening Date:	Wednesday, 26 th June, 2013
Last date for receiving requests for split application forms:	Wednesday, 3 rd July, 2013
Offer Closing Date:	Wednesday, 10 th July, 2013

Disclaimer Clause of BSE Limited

“BSE Limited (“the Exchange”) has given vide its letter dated May 16, 2013 permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. The Exchange does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer; or
2. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company,

And it should not for any reason be deemed or constructed that this letter of offer has been cleared or approval by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”

V. CAPITAL STRUCTURE

No. Of Shares	Description	Nominal Value (Rs)	Issue Price (Rs)
A. Authorised Capital			
5,00,000	Equity Shares of Rs 10/- each	50,00,000	10/-
	Total	50,00,000	10/-

B. Issued Capital, Subscribed & Paid Up Capital			
2,25,000	Equity Shares of Rs 10/- each	22,50,000	10/-
	Total	22,50,000	10/-
C. Present Offer			
Rights Issue in terms of this Letter of Offer			
90,074	Equity shares of Rs. 10/- each at par	9,00,740	10/-
	Total	9,00,740	10/-
D. Issued Capital, Subscribed & Paid Up Capital after the Rights Offer (Expected)			
3,15,074	Equity shares of Rs. 10/- each	31,50,740	10/-
	Total	31,50,740	10/-

Notes:

- i. Capital Evolution of the Company as under:

Date of Issue	No. of Shares Issued	Issue Price (Rs.)	Type of the Issue	Cumulative Capital (No. of Shares)	Whether listed If not listed give reasons thereof
Since Incorporation	7	10	Subscriber to MOA	70	Yes
Upto 1983-84	49993	10	IPO	50000	Yes
1983-84	175000	10	Right Issue	225000	Yes

(i) **SHAREHOLDING PATTERN**

STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013.

(PRE OFFER)

Statement showing Shareholding Pattern

Name of the Company: DALAL STREET INVESTMENTS LTD		
Scrip Code: 501148	Name of the scrip, class of security: Equity shares	Quarter ended: 31 st March, 2013

Category of Shareholder	No. of Share holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided	3	1862	1862	0.83	0.83	0	0.00

Family							
Bodies Corporate	2	178101	178101	79.16	79.16	0	0.00
Sub Total	5	179963	179963	79.98	79.98	0	0.00
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	5	179963	179963	79.98	79.98	0	0.00
(B)							
Public Shareholding							
(1) Institutions							
(2) Non-Institutions							
Bodies Corporate	15	43382	42907	19.28	19.28	0	0.00
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	73	1652	371	0.73	0.73	0	0.00
Any Others (Specify)	-	-	-	-	-	-	-
Clearing Members	2	3	3	0.00	0.00	0	0.00
Sub Total	90	45037	43281	20.02	20.02	0	0.00
Total Public shareholding (B)	90	45037	43281	20.02	20.02	0	0.00
Total (A)+(B)	95	225000	223244	100.00	100.00	0	0.00
(C)							
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
(1) Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2) Public	0	0	0	0.00	0.00	0	0.00
Sub Total	0	0	0	0.00	0.00	0	0.00
Total (A)+(B)+(C)	95	225000	223244	0.00	100.00	0	0.00

(I)(b) **Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"**

Name of the Share holder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	No. of Sha-	As a % of	N o	As a per	As a % of	Numb er of	As a % total	Numb er of	As a % total	

	res held	grand total (A) + (B) + (C)		cent age	grand total (A) + (B) + (C) of sub-clause (I)(a)	warrants held	number of warrants of the same class	convertible securities held	number of convertible securities of the same class	
Pavankumar Sanwarmal	970	0.43	0	0.00	0.00	0	0.00	0	0.00	0.43
Rita Pavankumar	350	0.16	0	0.00	0.00	0	0.00	0	0.00	0.16
Sanwarmal Pavankumar - HUF	542	0.24	0	0.00	0.00	0	0.00	0	0.00	0.24
Resham Resha Pvt Ltd	90,601	40.27	0	0.00	0.00	0	0.00	0	0.00	40.27
SM Sheti Seva Pvt Ltd	87,500	38.89	0	0.00	0.00	0	0.00	0	0.00	38.89
Total	1,79,963	79.98	0	0.00	0.00	0	0.00	0	0.00	79.98

(I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	Man Made Fibres Pvt Ltd	41,700	18.53
Total		41,700	18.53

(I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 5% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	Man Made Fibres Pvt Ltd	41,700	18.53
Total		41,700	18.53

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	NIL	NIL	NIL
Total		0	0.00

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	N.A			0.00
2.				0.00
TOTAL		0	0	0.00

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	N.A			0.00
2.				0.00
TOTAL			0	0.00

**Statement showing Expected Shareholding Pattern
(Post offer)**

Statement showing Shareholding Pattern

Name of the Company: Dalal Street Investments Limited		
Scrip Code: 501148	Name of the scrip, class of security : Equity shares	Post Right Issue

Category of Shareholder	No. of Share holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	3	1862	1862	0.59	0.59	0	0
Bodies Corporate	2	178101	178101	56.53	56.53	0	0

Sub Total	5	179963	179963	57.12	57.12	0	0
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	5	179963	179963	57.12	57.12	0	0
(B)							
Public Shareholding							
(1) Institutions							
(2) Non-Institutions							
Bodies Corporate	15	130146	128721	41.31	41.31	0	0
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	73	4956	1113	1.57	1.57	0	0
Any Others (Specify)						0	0
Clearing Members	2	9	9	0.00	0.00	0	0
Sub Total	90	135111	129843	42.88	42.88	0	0
Total Public shareholding (B)	90	135111	129843	42.88	42.88	0	0
Total (A)+(B)	95	315074	309806	100.00	100.00	0	0
(C)							
Shares held by Custodians and against which Depository Receipts have been issued							
	0	0	0	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0	0	0	0
(2) Public	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	0	0
Total (A)+(B)+(C)	95	315074	309806	100.00	100.00	0	0

(I)(b) **Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"**

Name of the Share holder	Details of Shares held	Encumbered shares (*)	Details of warrants	Details of convertible securities	Total shares (including underlying shares assuming full
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										conversion of warrants and convertible securities) as a % of diluted share capital
	No. of Shares held	As a % of grand total (A)+(B)+(C)	No	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
Pavankumar Sanwarmal	970	0.31	0	0	0	0	0	0	0	0.31
Rita Pavankumar	350	0.11	0	0	0	0	0	0	0	0.11
Sanwarmal Pavankumar - HUF	542	0.17	0	0	0	0	0	0	0	0.17
Resham Resha Pvt Ltd	90,601	28.76	0	0	0	0	0	0	0	28.76
SM Sheti Seva Pvt Ltd	87,500	27.77	0	0	0	0	0	0	0	27.77
Total	179963	57.12	0	0	0	0	0	0	0	57.12

(I)(c) **Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	Man Made Fibres Pvt Ltd	1,25,100	39.71
Total		1,25,100	39.71

(I)(c) **Statement showing Shareholding of persons belonging to the category "Public" and holding more than 5% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	Man Made Fibres Pvt Ltd	1,25,100	39.71
Total		1,25,100	39.71

(I)(d) **Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	NIL	NIL	NIL
Total		0	0.00

(II)(a) **Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	N.A			0.00
2.				0.00
TOTAL		0	0	0.00

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
1.	N.A			0.00
2.				0.00
TOTAL			0	0.00

VI. TERMS OF THE PRESENT OFFER

AUTHORITY FOR THE PRESENT OFFER

The present Offer is being made pursuant to the resolution passed by the shareholders in the Extra-Ordinary General Meeting held on 25th March, 2013 and resolution passed by the Board of Directors of the Company at its meeting held on 25th February, 2013.

BASIS OF THE OFFER

The Equity Shares of Rs.10/- each at for cash par is being offered on a Rights basis to Non-Promoters in the ratio of 2(Two) Equity Shares for every 1 (One) Equity Share held on Record Date Tuesday, 11th June, 2013, being the date fixed by the Board of Directors of the Company in consultation with the "BSE Limited."

BASIS OF PRICE

The net worth of the company as on 31st March, 2013 is Rs. (4,14,31,518)/- since the net worth of the Company is negative the Board of Directors of the Company have decided to issue the shares at par i.e. Rs. 10/- per equity share on a right basis.

PRINCIPAL TERMS OF THE OFFER

The equity shares now being issued are subject to the terms and conditions of this Letter of Offer, the Memorandum and Articles of Association, the Government approvals, FIPB approvals, RBI approvals, , the provisions of the Companies Act, 1956, guidelines issued by SEBI, listing agreement with the BSE and such other notifications and regulations as may be issued by statutory authorities in this regard, from time to time, terms and conditions as stipulated in the allotment advise or letter of allotment or share certificate, or any other legislative enactments and rules as may be applicable and introduced from time to time by SEBI, Government of India, RBI and or other authorities.

RIGHTS ENTITLEMENT

As your name appears in the Register of Members as an equity shareholder/Beneficial Owner of the Company on the Record Date i.e. Tuesday, 11th June, 2013.

The eligible shareholders shall be entitled to the following:

- 2 (Two) Equity Shares of Rs. 10/- each for every 1 (One) Equity Share of Rs. 10/- held on the Record Date i.e. Tuesday, 11th June, 2013.

OFFER TO NON-RESIDENT EQUITY SHAREHOLDERS / APPLICANTS

Vide notification dated 18th June, 2003, bearing number FEMA 94/2003, RBI has granted general permission to Indian companies to Offer rights/bonus equity shares to existing non-resident shareholders. The existing non-resident shareholders may apply for Offer of Equity Shares and The Company may allot the same subject to the condition that the overall Offer of Equity Shares to non-residents in the total paid up capital does not exceed the sectoral cap. In other words, non-residents may subscribe for additional Equity Shares over and above Equity Shares offered on rights basis by The Company and renounce the Equity Shares offered in full or part thereof in favour of a person named by them. However, this facility would not be available to investors who have been allotted such Equity Shares as OCBs.

PRINCIPAL TERMS AND CONDITIONS OF THE OFFER OF EQUITY SHARES

- i. **Face Value:** Each equity share shall have the face value of Rs.10 /-.
- ii. **Offer Price:** Each equity share is being offered at Par at Rs.10/-
- iii. **Entitlement Ratio** The Equity shares are being offered on Rights basis to the existing Non-Promoters of the Company in the ratio of 2 (Two) Equity Shares for every 1 (One) Equity share held. All the fractional entitlement will be rounded off to the next higher integer. The Promoters are not eligible to apply for any shares in this Right offer. The Promoters including persons acting in concert are foregoing their entitlement to Equity Shares whether present or future that may arise on account of Right Issue / Offer.
- iv. **Market Lot:** The Equity Shares of the Company are tradable in demat mode only. The market lot for the Equity Shares of the Company is 1(One). In case of holding of the Equity Shares in a physical form, Company would Offer to the allottees 1(One) consolidated certificate for all the equity shares allotted under physical mode. Upon request from the shareholders, the Company will arrange for splitting of the share certificates without any charges, into smaller denominations within 7 days of receipt of the request.
- v. **Terms of Payment:**

Amount Payable	Towards Capital (Rs.)
On Application	10.00
Total	10.00

- vi. Where an applicant has applied for additional shares and is allotted lesser number of shares than applied for, the excess application money shall be refunded. The excess application

monies would be refunded within 15 days from the closure of the offer, and if there is a delay beyond 8 days from the stipulated period, the Company and every Director of the Company who is an officer in default shall be jointly and severally liable to repay the money with interest for the delayed period, at the rates stipulated under sub-sections (2) and (2A) of section 73 of the Companies Act, 1956.

vii. Utilization of Funds raised from the proposed Rights Offer

The funds to be raised from the proposed right issue of Equity Shares will be utilized for working capital and general corporate purposes.

The Board declares that:

- i. All monies received pursuant to the Issue will be transferred into the separate bank account maintained by the Company as per the provisions of the Companies Act;
- ii. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized;
- iii. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested; and
- iv. The Company may utilize the funds collected in the Issue only after the basis of Allotment is finalized.

viii. Expenses of the present Offer

The expenses of the present issue includes mandatory costs such as fees to the Registrar to the offer, Bankers to the offer, Advisory fees, Stock exchange fees, registration, Advertising, printing etc. and the said expenses will be payable by the Company out of the proceeds of this offer.

ix. Purpose of this Offer

Pursuant to the requirement as specified in Rule 19 (2) and Rule 19A of the Securities Contracts (Regulation) Rule 1957 read with Clause 40A of the listing Agreement, the minimum public shareholding in a listed company shall not be less than 25% of the total paid up share capital.

At present, the shareholding of promoter and promoter group including person acting in concert in your Company is 79.98% and whilst the public shareholding is 20.02% of the total paid up capital of the company. SEBI had issued various circulars from time to time and suggested various ways to achieve the minimum level of public share holdings in the listed company. SEBI has pursuant to an amendment to the Securities Contract (Regulation) Rules 1957 and Clause 40A of the Listing Agreement introduced an additional mode through which companies which are currently not in compliance with minimum public shareholding requirement may do so by Right issue to non promoter shareholders.

Accordingly the Board of Directors at their meeting held on 25th February, 2013 have decided to issue and allot Shares to public shareholders on right basis and the promoters and promoters group shareholders including persons acting in concert, foregoing their entitlement to Equity Shares whether present or future, that may arise from this Right Issue and recommended shares on right basis in the ratio of 2:1 i.e. Two (2) fully paid up Equity Shares of Rs.10/- each for every One (1) fully paid-up Equity Shares at a price of Rs. 10/- held by public shareholders i.e. non Promoter shareholders.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Articles of Association and the approval of the Designated Stock Exchange, the Board will proceed to allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Investors who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Equity Shares renounced in their favour, in full or in part.

(b) Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for allotment under this head are more than number of Equity Shares available after allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Allotment to the Renouncees and Investors who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by Renouncees and / or investor on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

LISTING AND TRADING OF EQUITY SHARES PROPOSED TO BE ISSUED

The Company's existing Equity Shares are currently traded on BSE Limited under the ISIN: INE422D01012. The Equity Shares offered pursuant to the Offer shall be listed and traded under a same ISIN.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading shall be taken within seven working days of finalisation of the basis of Allotment. The Company has received "in-principle" approvals from the BSE for listing the Equity Shares allotted pursuant to the Issue ("**Allotted**") dated 16th May, 2013.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

RANKING OF EQUITY SHARES:

The equity shares allotted pursuant to this Letter of Offer shall rank pari-passu in all respects with the existing equity shares of the Company including in respect of dividend, if any, declared by the Company for the financial year, in which these equity shares are allotted

PAYMENT OF DIVIDEND

The Dividend is paid to all the eligible shareholders in terms of the provisions of the Companies Act, 1956 with regard to payment of dividend. The unclaimed dividend if any are transferred to Investors Protection Fund as prescribed under the Companies Act.

NOMINATION FACILITY

In terms of Section 109A of the Act, nomination facility is available in case of equity shares. The applicant can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

The sole equity shareholder or first equity shareholder, along with other joint equity shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to all the rights in the Equity Shares. Person(s), being nominee(s), becoming entitled to the Equity Shares by reason of the death of the original equity shareholder(s), shall be entitled to the same rights to which he/she would be entitled if he/she were the registered holder of the Equity Shares. Where the nominee is a minor, the equity shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale/disposal of the Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When two or more persons hold Equity Share(s), the nominee shall become entitled to receive the Equity Shares only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of The Company located at Vishnu Smruti Apartments, 425 / 35, TMV Colony, Gultekadi, Pune, Maharashtra - 411037 or at such other place at such address as may be notified by the Company. The applicant can make the nomination by filling in the relevant portion in the CAF.

Only one nomination would be applicable for one folio. Hence, in case the shareholder(s) has (have) already registered the nomination with the Company, no further nomination needs to be made for Equity Shares to be allotted in the Offer under the same folio.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Offer. Nominations registered with respective DP of the applicant would prevail. If such applicants require changing the nomination, they are requested to inform their respective DP.

ADDITIONAL EQUITY SHARES

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

ACCEPTANCE OF OFFER

You may accept and apply for the Equity Shares hereby offered to you wholly or in part by filling Part A of the enclosed CAF and submit the same along with the application money to the Bankers to the **Offer** or to any of their designated branches as mentioned in the CAF before the close of business hours on 10th July, 2013. The Board or Committee of Directors authorised in this behalf by the Board of Directors will have the power to extend the last date for receipt and acceptance of the CAF for such period as it may deem fit but in no case will the Offer for subscribing to the Offer be kept open for more than 30 (thirty) days.

If for any reason whatsoever, the CAF together with the amount payable is not received by the Bankers to the offer or by any of their designated branches as mentioned in the CAF on or before the close of business hours on 10th July, 2013 or such extended date as may be determined by the Board or Committee of Directors authorised in this behalf by the Board of Directors, the Offer contained in the Letter of Offer shall be deemed to have been declined.

The Company will not be liable for any postal delays and any application received by mail after closure of the Offer date will be returned to the applicants. The date of mailing by the applicant will not be the criteria for acceptance.

RENUNCIATION

As an Equity Shareholder, you have the right to renounce your entitlement to the Rights shares, wholly or in part in favour of any other person(s) subject to the approval of the Board. Such renounces can only be Indian Nationals (including minor through their natural/legal guardian), Limited Companies incorporated under/governed by the Companies Act, 1956, Statutory Corporations/Institutions, Trust (registered under the Indian Trust Act, 1882), Societies (registered under the Societies Registration Act, 1860, or any other applicable laws) and provided that such Trust/Society is authorized under its constitution/rules/bye-laws to hold Equity Shares in a Company and cannot be a Partnership Firm or Foreign nationals or nominees of any of them (unless approved by RBI or the relevant authorities) any other persons not approved by the Board.

Any renunciation from a Resident shareholder(s) to Non Resident shareholder(s) or from Non Resident shareholder(s) to Resident or Non-Resident Indians is subject to the renouncer(s) or renounee(s) obtaining the necessary permission of RBI and the same shall be attached to the CAF. Applications not accompanied by the aforesaid approval are liable to be rejected.

A request for the allotment of the equity shares by the renounee(s) in whose favour renunciation has been exercised shall be subject to the condition that the Board or Committee of Directors of the Company authorised in this behalf by the Board shall have absolute discretion to reject such request for allotment, without assigning any reasons thereof.

PROCEDURE FOR RENUNCIATION

TO RENOUNCE IN WHOLE IN FAVOUR OF ONE RENOUNCEE:

If you wish to renounce this Offer in whole, please complete Part B of the CAF. In case of joint holdings, all joint holders must sign this part of CAF in the same order as per the specimen signatures recorded with the Company. The renounee i.e. the person in whose favour this Offer has been renounced, should complete and sign Part C of the CAF. In case of joint renounees, all joint renounees must sign this part of CAF.

TO RENOUNCE IN PART:

If you wish to accept this Offer in part and renounce the balance or renounce the entire Offer in favour of one or more renounees. Please indicate your requirement for the split forms in the space provided for this purpose in Part D of the CAF and return the entire CAF at the Registered Office of the Company so as to reach them on or before 03rd July, 2013. On receipt of the required number of split forms from the Registrar, the procedure as mentioned above should be followed.

CHANGE AND/OR INTRODUCTION OF ADDITIONAL HOLDERS:

If you wish to apply for equity shares jointly with any other person(s) (upto 2), who is/are not already joint holder(s) with the applicant, it would amount to renunciation. Even a change in the sequence of the joint holders shall amount to renunciation and the procedure for renunciation as stated above would apply viz. Parts B and C of the CAF will have to be filled in.

RENOUNCEE(S):

The person(s) in whose favor the equity shares are renounced should fill in and sign Part C of the CAF and submit the same to the Bankers to the Offer on or before the Offer closing date along with the application money.

In case the signature of the equity shareholder(s), who has/have renounced the equity shares does

not match with the specimen signature(s) as per the records of the Company, the application is liable to be rejected.

SPLITTING OF COMPOSITE APPLICATION FORMS

1. Split forms cannot be re-split;
2. Only the person to whom the Offer is made and not the renounee(s) shall be entitled to obtain split forms;
3. Requests for split forms should be sent to the office of the Registrar to the Offer and not at the office of the Company, not later than Wednesday, 3rd July, 2013 by filling in Part D of the CAF;
4. Request for split CAF will be entertained once only.
5. Split forms can be issued in multiple of 1 equity shares and one split CAF will be issued for the balance equity share, if any.
6. Split forms shall be sent by post to the applicant at the applicant's risk.
7. Option available to the Eligible Equity Shareholders
 - a. The CAFs will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.
 - b. If the Eligible Equity Shareholder applies for an investment in Equity Shares, then he can:
 - (1) Apply for his Rights Entitlement of Equity Shares in full;
 - (2) Apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part);
 - (3) Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
 - (4) Apply for his Rights Entitlement in full and apply for additional Equity Shares; or Renounce his Rights Entitlement in full.

Notes:

- Part A of the CAF must not be used by any person(s) in whose favour this entitlement has been renounced.
- While applying for or renouncing equity shares, joint holders must sign in the same order and as per the specimen signatures registered with the Company.

APPLICANTS RESIDING AT PLACES OTHER THAN DESIGNATED COLLECTION CENTRES

Applicants residing at places other than the cities where the bank collection centers have opened should send their completed CAF by registered post to the Registrar to the Offer along with the bank drafts payable at Mumbai in favour of "DSIL - Rights Issue" crossed a/c payee only so as to reach on or before closure of the Offer (i.e. Wednesday, 10th July, 2013). All the expenses i.e. Demand Draft charges, Postage etc. shall be borne by the shareholders. The Company shall not be liable for any postal delays and applications received through mail after the closure of the offer are liable to be rejected and returned to the applicants. Applications by mail should not be sent in any manner except as mentioned above.

All CAFs duly completed together with cash / cheque / demand draft must be submitted before closure of the offer to the bankers to the offer named herein or to any collection centers mentioned on the reverse of the CAF.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund or Trusts, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the

certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the CAF or lodged for scrutiny separately, quoting the serial number of the CAF and the bank's branch where the application has been submitted, at registered office of the Company after submission of the CAF to the Banker to the offer or any of the designated branches as mentioned on the reverse of the CAF, failing which the applications are liable to be rejected. Such authority received at registered office of the Company after closure of the offer may not be considered.

JOINT APPLICATIONS

An application may be made in single name or jointly with any other person(s) (upto 2). In the case of a joint application, refund orders (if any) and interest/dividend warrants, etc. will be made out in favour of the first applicant and all communications will be addressed to the applicant whose name appears first and at his/her address stated in the CAF.

AVAILABILITY OF DUPLICATE CAF

In case the original CAF is not received or is misplaced, duplicate CAF is available at the registered office of the Company, on the request of the applicant who should furnish the registered folio number/ DP and Client ID number and his/her full name and address. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/found subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications.

PROCEDURE FOR APPLICATION ON PLAIN PAPER

Where the shareholders have neither received the original CAF nor are in a position to obtain a duplicate CAF, they may apply on plain paper giving particulars such as:

- i. Name in full (including names of joint-holders in the same order as the records of The Company).
- ii. Address of Sole/First Holder
- iii. DP ID No.
- iv. Client ID No.
- v. Registered Folio Number
- vi. Number of shares held on the Record Date i.e. Tuesday, 11th June, 2013.
- vii. Distinctive Numbers & Share certificate numbers (if held in physical form)
- viii. Number of equity shares to which entitled
- ix. Total number of equity shares applied for and total amount paid on application.
- x. Particulars of Cheque/ Demand Draft
- xi. Income Tax Permanent Account No. (PAN) and Income-tax Circle / Ward / District in case applications for equity shares for value of Rs 50,000/- or more for the applicant and for each applicant in case of joint names.
- xii. Bank Account No. and Name of Bank and Branch for refund purposes.
- xiii. In case of the Non-Resident Shareholder(s) the details of the NRE/FCNR/NRO account along with the name and address of the Bank and branch.

- xiv. Such applicants should send the application signed by all the holders of the shares in the same sequence and order as they appear in the Register of Members or Demat Account of The Company by Registered Post along with the Cheques/ Demand Drafts payable at Mumbai only at the office of the Registrar to the Offer to reach on or before the last date for submission of the CAF. The Company shall not be responsible for any postal delay or loss in transit.

INSTRUCTIONS FOR OPTIONS

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered:

OPTION AVAILABLE	ACTION REQUIRED
1. Accept whole or part of your Rights entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign)
2. Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
<p>3. Accept a part of your Rights Entitlement and renounce the balance to more than one Renouncee(s)</p> <p style="text-align: center;">OR</p> <p>Renounce your Rights Entitlement of all the Equity Shares offered to you to more than one Renouncee</p>	<p>Fill in and sign Part D (all joint holders must sign) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below.</p> <p>(i) For the Equity Shares you wish to accept, if any, fill in and sign Part A.</p> <p>(ii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees.</p> <p>(iii) Each Renouncee should fill in and sign Part C for the Equity Shares accepted by them.</p>
4. Renounce your Rights Entitlement in full or part to one Renouncee (Joint Renouncees are considered as one).	<p>In respect of the CAF, take the following action:</p> <ul style="list-style-type: none"> • For the Equity Shares you wish to accept, if any, fill in and sign Part A. • For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. • The Renouncee should fill in and sign Part C for the Equity Shares accepted by him.
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

MODE OF PAYMENT

The Cheque/Demand Draft should be drawn in favour of "DSIL - Rights Issue" and crossed "A/c Payee only".

SECTION 269SS OF THE INCOME-TAX ACT, 1961

Having regard to the provisions of Section 269SS of the Income-tax Act, 1961, payment against application should not be made in cash if the amount payable is Rs.20, 000/- or more. In case the payment is made in contravention of this, the application is liable to be rejected and the amount will be returned without interest.

Resident Shareholders

- a. Payment should be made in cash or by cheque or by bank draft. Money orders/ postal orders/outstation/post-dated cheques or outstation demand drafts will not be accepted. Only one mode of payment should be used per CAF.
- b. All cheques or bank drafts must be made payable to the Bankers to the Offer mentioned in the CAF marked "**DSIL - Rights Issue**" and crossed "A/c payee only".
- c. A separate cheque or bank draft must accompany each application form.
- d. All application forms duly completed together with cash/cheque/demand draft for the amount payable on application at Rs. 10 per equity Share must be submitted before the close of the Subscription List to the Bankers to the Offer named herein or to any of their branches mentioned on the reverse of the CAF
- e. No receipt will be issued for the application money. However, the Bankers to the Offer and/or their branches receiving the applications will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each CAF.
- f. Where an application is for allotment of equity shares for a total value of Rs. 50,000/- or more, i.e. the total number of equity shares applied for multiplied by the Offer price, is Rs. 50,000/- or more, the applicant or in the case of applications in joint names, each of the applicants, should mention his/her permanent account number allotted under the Income-tax Act, 1961 or where the same has not been allotted the GIR number and the Income tax Circle/Ward/District. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Forms without which this information will be considered incomplete and the Applications are liable to be rejected.
- g. The applicant should provide information in the CAF as to his/her savings/current bank account number and the name of the bank with whom such account is held, in the space provided for the said purpose, to enable to print the said details on the refund orders, if any, after the name of the applicants. This has been made mandatory and applications not containing such details are liable to be rejected.
- h. Applicants in centers not covered by the branches of collecting banks can send their CAF along with the Demand Draft payable at Mumbai, to the Registrars to the Offer by Registered Post.
- i. For further instructions the investors are requested to read the CAF carefully while applying for the equity shares.

NON-RESIDENT SHAREHOLDERS

Applications received from Non-Resident Indians/ persons of Indian origin resident abroad, for allotment of equity shares shall be, inter alia, subject to the conditions imposed from time to time by the Reserve Bank of India under the FEMA on the matter of refund of application moneys, allotment of equity shares, Issue of Letters of Allotment/share certificate(s), payment of interest, dividends, etc. General permission has been granted to any person resident outside India to purchase shares offered on rights basis by an Indian Company in terms of FEMA.

In terms of Regulation No.6 of notification No.20/2000-RBI dated May 3, 2000, the existing non-resident shareholders may apply for equity shares on right basis subject to the condition that the overall Offer of shares to non-residents in the total paid-up capital of the Company does not exceed the sectoral cap.

The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of equity shares, payment of dividend etc., to the NRI Shareholders. Mode of payment by NRI shareholders will depend on whether the equity shares are on repatriation or non-repatriation basis.

A) ON REPATRIATION BASIS

Payments are to be made by such NRIs in any of the following modes:

- i. Indian Rupee Draft purchased from abroad and made payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- ii. Cheques drawn on Non-Resident External Account (NRE Account) with any bank in India and payable at Mumbai
- iii. Indian Rupee Draft purchased out of NRE/FCNR accounts maintained anywhere in India and payable at Mumbai

In case of NRIs who remit their application money through Indian Rupee drafts from abroad, refunds, payment of interest and other disbursements, if any will be made in the relevant foreign currencies at the rate of the exchange prevailing at such time subject to the permission of Reserve Bank of India. The Company will not be liable for any loss on account of exchange fluctuations for converting their Rupee amount in any foreign currency. In case of those NRIs who remit their application money from funds in NRE/FCNR accounts, refund, payment of interest and other disbursements, if any, shall be credited to such accounts. The details of such accounts should be furnished in the appropriate column of the CAF.

- iv. Cheque /Draft purchased out of funds held in Foreign Institutional Investors special non-resident rupee account.
- v. Applicants seeking allotment of the equity shares on repatriation basis should note that the payments for such allotment have to be made through external source only and that the payments through NRO accounts shall not be permitted.

B) ON NON-REPATRIATION BASIS

Payments are to be made by such NRIs by Cheque drawn on a Non-Resident Ordinary Account (NRO Account) at Mumbai or Rupee Draft purchased out of NRO Account maintained anywhere in India but payable at Mumbai. In such cases, refund, interest and other disbursement, if any, will be payable in Indian Rupees only. The CAF should be accompanied by a non-repatriation undertaking as per the forms prescribed by RBI.

Whether the application is being made for the equity shares are on repatriation basis or non-repatriation basis, a separate cheque/demand draft must accompany each CAF. All instruments must be crossed "Account Payee Only" and drawn in favour of "DSIL - Rights Issue". You are requested to mention the folio number and the CAF number on the reverse of the cheque/demand draft.

An account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting FCNR/NRE/NRO Account must be attached in all cases where drafts have been purchased from FCNR/NRE/NRO Accounts or Foreign Inward Remittance Certificate (FIRC) from the Authorised Dealers along with the CAF otherwise the application may be considered incomplete and liable for rejection. Payment by way of cash shall not be accepted.

RIGHTS OF THE EQUITY SHAREHOLDERS

The holders of the equity shares arising out of the present Offer shall be entitled to the following Rights:

- a. Right to receive dividend, if declared;
- b. Right to attend general meeting and exercise voting rights, unless prohibited by laws; and
- c. Right to vote either personally or through proxy.
- d. Right to receive offers for rights shares and be allotted bonus shares, if announced.
- e. Any other rights available under the Companies Act, 1956.
- f. Only the registered equity shareholders or in case of joint holders, the one whose name appears first in the Register of equity shareholders shall be entitled to the above-mentioned rights. The shares issued in the Rights Issue shall be pari passu with the existing shares in all respects.
- g. The equity shares shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as applicable to the existing equity shares of the Company. The provisions relating to the transfer and transmission and other related matters in respect of the shares of the Company contained in the Articles and the Act shall apply mutatis mutandis to these equity shares also.

FEW REASONS FOR TECHNICAL REJECTIONS

- i. If the signature is not matching with the signatures already registered with The Company;
- ii. In case of joint holders, if the signatures are not made in the same order as registered with The Company;
- iii. If cash above Rs.20,000/- is remitted toward share application money;
- iv. PAN/GIR No. is not mentioned if the value of the application is more than Rs.50, 000/-;
- v. Amount paid does not tally with the amount payable for;
- vi. Bank account details are not given;
- vii. Applications not duly signed by sole/joint applicants
- viii. Re - Split of CAF

CONSOLIDATED SHARE CERTIFICATE

Shareholders opting to receive equity shares in physical mode will be issued a consolidated equity

Share certificate for all the equity shares allotted to them in this Letter of Offer. Upon request from the Shareholders, The Company will arrange for splitting of the share certificates without any charges, within 7 days of receipt of the request.

PRINTING OF BANK PARTICULARS ON REFUND ORDERS

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the applicant's bank account are mandatory required to be provided for printing on refund orders. Bank account details will be printed on the refund orders, which can be deposited only in the account specified after the name of the payees. The Company will be in no way responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

JOINT-HOLDERS

Where two or more persons are registered as the holders of Equity Shares, they shall be deemed (so far as The Company is concerned) to hold the same as joint-tenants with benefits of survivorship subject to provisions contained in the AOA.

NOTICES

All notices to the equity shareholder(s) required to be given by The Company in connection with the Offer shall be published in one English national daily with wide circulation, one regional national daily with wide circulation and will be sent by ordinary post to the registered holders of the equity share(s) from time to time.

ISSUE OF DUPLICATE SHARE CERTIFICATES

If any Equity Share certificate(s) is/are destroyed, stolen, lost or misplaced, then upon production of proof thereof to the satisfaction of The Company and upon furnishing such indemnity/surety and/or such other documents as The Company may deem adequate, duplicate Equity Share certificate(s) shall be issued.

COMPULSORY DEMATERIALISED DEALING

The equity shares of The Company have been under compulsory dematerialized trading for all investors with effect from October 30, 2000 vide SEBI notification No. SMDRP/ POLICY/CIR-23/2000 dated 29th May, 2000. The Company has an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and its equity shares bear the ISIN No. INE422D01012. However, the investors have an option to hold the shares in physical form or demat form.

OPTION TO RECEIVE THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

Applicants have the option to hold the equity shares of the Company in the electronic form under the Depository System. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), which enable an investor to hold and trade in securities in dematerialized (Electronic) form, instead of holding equity shares in the form of physical certificates.

In the Rights Issue, an option is being provided to the shareholders to receive their Rights equity shares in the form of an electronic credit to their beneficiary account with any of the depository participant (NSDL/CDSL) instead of receiving these equity shares in the form of physical certificates. Investor can opt for this facility by filling up the relevant particulars in the CAF.

Applicants may note that they have the option to subscribe to the Rights equity shares in demat or physical form, or partly in demat and partly in physical form, in the same application. In case of partial allotment, allotment will be first done in demat form for the shares sought in demat and the balance, if any, will be allotted in physical form. However, the investors may note that the equity

shares of The Company can be traded on the Stock Exchanges only in demat form.

OFFER OF LETTER OF ALLOTMENT

In case The Company issues Letter(s) of Allotment, the relative Share Certificate(s) will be kept ready within 3 months from the date of allotment thereof or such extended time as may be approved by The Company Law Board or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for Share Certificate(s).

ALLOTMENT ADVICE / DISPATCH OF REFUND ORDERS

The Company will issue and dispatch Allotment advice/share certificates/demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Offer Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, (i.e. 15 days after the Offer Closing Date or the date of the refusal by the Stock Exchange(s), whichever is earlier) the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under the Companies Act.

Any letter of allotment/ Share Certificates / refund order would be sent by registered post/speed post to the sole/first Investor's registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Offer for this purpose.

PAYMENT OF REFUND

MODE OF MAKING REFUNDS

The payment of refund, if any, would be done through cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par and the refund orders will be dispatched through Speed Post/Registered Post.

DENOMINATION OF SHARES

The present denomination of the equity shares of The Company is Rs. 10/- and The Company undertakes that at any given time there will be only one denomination for the equity shares of The Company. The Company shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

OBJECTS OF THE OFFER

1. To part finance the proposed expansion of the existing facilities and support growth plans of the Company
2. To comply with the provisions of clause 40 (a) of the Listing Agreement.
3. To meet long term Working Capital requirement and general corporate purpose
4. To meet the Offer expenses.

MINIMUM SUBSCRIPTION

If the Company does not receive the minimum subscription of 90% of the Offer, or the subscription level falls below 90% after the Offer Closing Date on account of cheques being returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount

received within 15 days from the Offer Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, (i.e. 15 days after the Offer Closing Date or the date of the refusal by the Stock Exchange(s), whichever is earlier) the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-Section (2) and (2A) of the Companies Act.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by the Company. However, the Bankers to the Offer/Registrar to the offer receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto. In case an application is rejected in full, the whole of the Application Money received will be refunded. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Offer Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the Companies Act.

For further instructions, read the CAF carefully.

UNDERTAKINGS BY THE COMPANY

The Company undertakes the following:

- i. The complaints received in respect of the offer shall be attended to by the Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.
- iii. The funds required for making refunds to unsuccessful Applicants as per the modes disclosed shall be made available to the Registrar to the Offer by the Company.
- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Offer Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. At any given time, there shall be only one denomination for the Equity Shares.
- vi. The certificates of the securities or refund orders to non-resident shareholders will be dispatched within specified time.
- vii. No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc.

Important

- Read the Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
- All enquiries in connection with the Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/DP and Client ID number, the CAF number

and the name of the sole/first Eligible Equity Shareholder as mentioned on the Application Form and super-scribed "Dalal Street Investments Limited - Rights Issue" on the envelope and postmarked in India) to the Registrar to the Offer at the following address:

Universal Capital Securities Private Limited

21, Shakil Niwas, Mahakali Caves Road,

Andheri (East), Mumbai 400093

Contact person: Mr. Devanand Dalvi

Tel:+91 (22) 2820 7203-05 / 2825 7641

Fax: +91 22 2820 / 7207

Email: info@unisec.in

www.unisec.in

The Rights Entitlement and the Equity Shares are not intended to be offered or sold to persons in the United States or any other jurisdiction where such offer or sale may be prohibited. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any shares or rights to sale in the United States, the territories or possessions thereof, or a solicitation therein of an offer to buy any of the said shares or rights. Accordingly, the Letter of Offer and the CAF should not be dispatched or forwarded to or transmitted in or to, the United States at any time. The Company reserves absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States or any other jurisdiction where such acquisition may be prohibited.

The offer will remain open for a minimum 15 days. However, the Board will have the right to extend the offer period as it may determine from time to time but not exceeding 30 days from the Offer Opening Date.

VII. STATEMENT OF TAX BENEFITS

**The Board of Directors,
Dalal Street Investments Limited,
Vishnu Smruti Apartments,
425 / 35, TMV Colony,
Gultekadi, Pune, Maharashtra 411037**

Dear Sirs,

Sub: Statement of Possible Tax Benefits available to Dalal Street Investments Limited ('the Company') and its shareholders

Sub: Statement of Possible Tax Benefits available to Dalal Street Investments Limited ('the Company') and its shareholders

We hereby enclose in the Annexure a statement of possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and the Wealth-tax Act, 1957 (as amended by the Finance Act, 2012), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended

to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i. The Company or its shareholders will continue to obtain these benefits in future; or
- ii. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed Right Offer of the Company.

For A.K. Nevatia & Associates
Chartered Accountants

Sd/-

Anil Kumar Nevatia
(Proprietor)

Membership No. 040403

Place: Mumbai

Dated: 15.03.2013

Annexure to the Statement of Possible Tax Benefits:

As per the present provisions of Income Tax Act, 1961 (hereinafter referred to as "the Act") and other laws as applicable for the time being in force in India, the following tax benefits and deductions are available to the Company and its shareholders, subject to fulfillment of prescribed conditions;

A. Special Tax Benefits Under the Income Tax Act, 1961

i) Benefits of Unabsorbed Capital Loss of Rs. Nil

In view of the provisions of Section 74 of the Act, Company can carry forward the Unabsorbed Capital Loss for a period of eight assessment years immediately succeeding assessment years in which the loss was first computed.

ii) Benefits of Unabsorbed Business Loss (Non Speculation, other than Depreciation) of Rs. 46.09 Lacs

In view of provisions of Section 72 of the Act, Company can carry forward the unabsorbed Business Loss for a period of eight assessment years immediately succeeding assessment years in which loss was first computed to be set off against business income.

iii) Dividend exempt under Section 10 (34) of the Act

Under Section 10 (34) of the Act, dividend income earned by the company referred to in Section 115-O of the Act, will be exempt from tax in the hands of the Company.

iv) Income from specified mutual fund exempt under Section 10(35) of the Act

In accordance with and subject to the provisions of Section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

- a) Income received in respect of the units of a Mutual Fund specified under Clause (23D) of Section 10 of the Act; or
- b) Income received in respect of units from the Administrator of the specified undertaking; or
- c) Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the

Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

v) **Exemption from Capital Gain under Section 10(38) of the Act**

In terms of Section 10(38) of the Act, any long term capital gains arising to a company from transfer of long term capital asset being equity shares in any other company or a unit of an equity oriented fund would not be liable to tax if the following conditions are satisfied:

- a) The transaction of sale of such equity share is entered into on or after 1st October, 2004.
- b) The transaction is chargeable to securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004.

However, in terms of the fifth proviso to Section 48 of the Act, no deduction of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

vi) **Business Deductions**

Under Section 36(1)(vii)/36(2) of the I. T Act, any bad debts or part thereof written off as irrecoverable, would be allowed as deduction from the total income in accordance with and subject to the provisions contained therein.

B. MAT Credit

Where the tax liability of the Company as computed under the normal provisions of the Act, is less than 18.5% of its book profits after making certain specified adjustments, the Company would be liable to pay Minimum Alternate Tax ("MAT") at an effective rate of 20.0078% (including applicable surcharge and education cess) of the book profits. For the purpose of computation of MAT, the book profits are subjected to certain adjustments as prescribed.

The difference between the MAT payable under section 115JB of the IT Act and the tax on its total income payable for that assessment year shall be allowed to be carried forward as "MAT credit" upto tenth assessment year immediately succeeding the assessment year in which the tax credit under MAT has been paid. The MAT credit can

be utilized to be set off against taxes payable on the total income computed under the provisions of the IT Act other than 115JB thereof if any, in the subsequent assessment years in accordance with the provisions & limit specified in section 115JAA of the IT Act.

Under section 54EC of the I T Act and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of capital asset by the Company will be exempt from capital gains tax if the capital gains arising there from are invested within a period of 6 months after the date of such transfer in eligible bonds (to be held for a minimum period of 3 years from the date of their acquisition) issued by

- National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

However, the investment made in the specified bonds during the financial year should not exceed Rs 50 lacs.

As per section 70 read with section 74, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. Balance loss if any, should be carried forward and available for set-off against subsequent year's short term or long term capital gains for subsequent 8 years.

As per section 70 read with section 74, long term capital loss arising during a year is allowed to be set off only against long term capital gains. Balance loss if any, should be carried forward and available for set-off against subsequent year's long term capital gains for subsequent 8 years

To the Members of the Company

C1. Under the Income Tax Act, 1961

1. **Resident Members**

- i) In terms of Section 10(23D) of the Act, all mutual funds set up by public sector banks or public financial institutions or mutual funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India subject to the conditions specified therein are eligible for exemption from income tax on their entire income, including income from investments in the shares of the Company.
- ii) By virtue of Section 10(34) of the Act, income earned by way of dividend income from domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the shareholders.
- iii) In terms of Section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being equity shares in the company would not be liable to tax in the hands of the shareholders if the following conditions are satisfied:
 - (a) The transaction of sale of such equity share is entered into on or after 1st October, 2004.
 - (b) The transaction is chargeable to securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004.

However, in terms of the fifth proviso to Section 48 of the Act, no deduction of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

- iv) Under Section 48 read with Section 2(29B) of the Act, if the Company's shares are sold after being held for more than twelve months, the gains (in case not covered under Section 10(38) of the Act), if any, will be treated as long term capital gains and such gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition/improvement and expenditure incurred wholly and exclusively in connection with the transfer.
- v) Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains {in cases not covered under Section 10(38) of the Act} arising on the transfer of shares of the Company shall not be chargeable to capital gains tax if the capital gains are invested within a period of six months after the date of such transfer in long-term specified assets and held for a period of at least three years.
- vi) Under Section 54F of the Act, long term capital gains (in cases not covered under Section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company shall not be chargeable to capital gains tax subject to other conditions, if the net sales consideration from such shares are utilized for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer . Such benefit will not be available if:
 - (a) The individual or Hindu Undivided Family:
 - (i) Owns more than one residential house (other than the new residential house), on the date of transfer of share; or
 - (ii) Purchases another residential house (other than the new residential house) within a period of two years after the date of transfer of the shares; or
 - (iii) Constructs another residential house (other than the new residential house) within a period of three years after the date of transfer of the shares; and
 - (b) The income from such residential house, other than the one residential house owned on the date of transfer of the shares, is chargeable under the head "Income from house property".
- i) In terms of Section 111A of the Act and other relevant provisions of the Act, any short term capital gains arising to a shareholder from transfer of short term capital asset being equity shares in the company would be liable to tax at the rate of 15% (plus applicable surcharge and education cess) if the following conditions are satisfied;
 - (a) the transaction of sale of such equity share is entered into on or after 1st October, 2004.
 - (b) the transaction is chargeable to securities transaction tax.However, in terms of fifth proviso to Section 48 of the Act, no deduction of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

viii) Under Section 112 of the Act and other relevant provisions of the Act, long-term capital gains (in cases not covered under Section 10(38) of the Act), arising on transfer of shares in the company held for more than twelve months, shall be taxed at a rate of 20% (plus applicable surcharge and education cess). The amount of such tax should however, be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the shares under transfer are listed shares.

2. Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors

i) By virtue of Section 10(34) of the Act, income earned by way of dividend income from domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the shareholders.

ii) In terms of Section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being equity shares in the company would not be liable to tax in the hands of the shareholders if the following conditions are satisfied:

(a) The transaction of sale of such equity share is entered into on or after 1st October, 2004.

(b) The transaction is chargeable to securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004.

However, in terms of the fifth proviso to Section 48 of the Act, no deduction of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

iii) Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains {in cases not covered under Section 10(38) of the Act} arising on the transfer of shares of the Company shall not be chargeable to capital gains tax if the capital gains are invested within a period of six months from the date of such transfer in long-term specified assets and held for a period of at least three years.

iv) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains, (in cases not covered under Section 10(38) of the Act), arising on transfer of shares in the Company held for more than twelve months, shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to Section 48 of the Act. The amount of such tax could, however, be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the shares under transfer are listed shares.

v) Under Section 115-I of the Act, a non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin who is not a "resident") shareholder has an option to be governed by the provisions of Chapter XII-A of the Income tax Act, 1961 viz. "Special Provisions Relating to Certain incomes of Non-Residents", which are as follows:

(a) Under Section 115E of the Act, where shares in the company are acquired or subscribed for in convertible foreign exchange by a Non Resident Indian, capital gains arising to the non-resident Indian on transfer of shares held for a period exceeding 12 months, shall, in cases not covered under Section 10(38) of the Act, be concessionaly taxed at the rate of 10% (plus applicable surcharge and education cess). However, no indexation benefit shall be allowed to a Non-resident on long term capital gain arising on transfer of the said shares.

(b) Under the provisions of Section 115F of the Act, long term capital gains (in cases not covered Under Section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall not be chargeable to Income Tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

vi) Under provisions of Section 115G of the Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

3. Foreign Institutional Investors (FIIs)

In terms of Section 10(34) of the Act, any income by way of dividends referred to Section 115-O received on the shares of the company is exempt from tax.

- i) In terms of Section 10(38) of the Act, any long term capital gains arising to an investor from transfer of long term capital asset being equity shares in the Company would not be liable to tax in the hands of the investor if the following conditions are satisfied:
 - (a) The transaction of sale of such equity share is entered into on or after 1st October, 2004.
 - (b) The transaction is chargeable to securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004.
- ii) In terms of Section 111A of the Act and other relevant provisions of the Act, any short term capital gains arising to a shareholder from transfer of short term capital asset being equity shares in the company would be liable to tax at the rate of 15% (plus applicable surcharge and education cess) if the following conditions are satisfied;
 - (a) The transaction of sale of such equity share is entered into on or after 1st October, 2004.
 - (b) The transaction is chargeable to securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004.
- iii) The income by way of short-term capital gains or long-term capital gains {in cases not covered under Section 10(38) of the Act} realized by the FIIs is taxable @ 30% and 15% respectively (plus applicable surcharge and education cess) as per section 115AD of the Act. However in case of such long term capital gains, the tax is levied on the capital gains computed without considering the cost indexation and computation of gains in foreign exchange. Further, in terms of the fifth proviso to Section 48 of the Act, no deduction of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.
- iv) Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains {in cases not covered under Section 10(38) of the Act} arising on the transfer of shares of the Company shall not be chargeable to capital gains tax if the capital gains are invested within a period of six months after the date of such transfer in long-term specified assets and held for a period of at least three years.
- v) As per Section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Act payable to Foreign Institutional Investors.

4. Venture Capital Companies/Funds

In terms of Section 10(23FB) of the Act, all Venture Capital Companies/Funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the Company

C2. Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholders are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957, hence the shares are not liable to Wealth Tax.

C3. Under The Gift Tax Act, 1958

Gifts of Shares of the Company made are liable to Gift Tax.

Notes:

- i) The above summary is based on the taxation laws and practice in force at the time of issue of this circular and is subject to change. The summary is not intended to constitute a complete analysis of the tax consequences under Indian Law of the acquisition, ownership and sale of the shares.
- ii) In respect of non-residents, the liability to tax and the tax rates mentioned above are further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident is a tax resident.

iii) The current positions of tax benefits available to the company and to its shareholders is provided for general information purposes only. In view of the individual nature of tax consequences, investors are advised to consult their own tax advisors with respect to specific tax consequences of his/her participation in the issue.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement

**For A.K. Nevatia & Associates
Chartered Accountants**

**Sd/-
Anil Kumar Nevatia
(Proprietor)
Membership No. 040403
Place: Mumbai
Dated: 15.03.2013**

VIII. COMPANY HISTORY & MANAGEMENT

The Company was incorporated on 18th November, 1977 under the Companies Act, 1956 under CIN No. L65990PN1977PLC141282 and obtained the certificate of commencement of business on 28th December 1977.

The Registered Office of the Company is at Vishnu Smruti Apartments, 425 / 35, TMV Colony, Gultekadi, Pune, Maharashtra 411037

MAIN OBJECTS OF THE COMPANY

1. To carry on the business of an Investment Company and to underwrite, sub-underwrite, to invest in and acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations, and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere.
2. To Finance Industrial Enterprises and to promote Companies engaged in Industrial and Trading Businesses.
3. To manage investment pools, mutual funds, syndicates in shares, stocks, securities, finance and real estate.

BOARD OF DIRECTORS AS ON THE DATE OF THE LETTER OF OFFER.

Name Address Designation and Occupation of Directors	Other Directorships Held
-------------------------------------------------------------	---------------------------------

<p>1. Shri Pavankumar Sanwarmal Director Bhagirathi 49-B, Neru Road, Vile Parle (E) Mumbai 400057 Occ: Industrialist DIN: 00321029</p>	<ol style="list-style-type: none"> 1. Resham Resha Private Limited 2. Mack Trading Company Limited 3. Dalal Street Investments Limited 4. Miraj Commercial And Trading Pvt Ltd 5. Mahal Plastics And Fibres Private Limited 6. Shree Bombay Cotton Mills Estate Private Limited 7. Keen Investment And Leasing Limited 8. Flora Fountain Properties Ltd 9. N And N Systems And Software Private Limited 10. Hemant Finance And Investment Private Limited 11. Nakshatra Infrastructure Limited 12. Zillion Investment Company Limited 13. Amogh Energy Private Limited 14. S M Shetiseva Private Limited 15. Gifts Planet Private Limited
<p>2. Smt Rita Pavankumar Director Bhagirathi 49-B, Neru Road, Vile Parle (E) Mumbai 400057 Occ: Business Executive DIN : 00322476</p>	<ol style="list-style-type: none"> 1. Keen Investment And Leasing Limited 2. Miraj Commercial And Trading Pvt Ltd 3. Flora Fountain Properties Ltd 4. Zillion Investment Company Limited 5. Multifilms Plastics Private Limited 6. SM Shetiseva Private Limited 7. Dalal Street Investments Limited 8. Shree Bombay Cotton Mills Estate Private Limited 9. Mack Trading Company Limited
<p>3. Shri Vikas Pavankumar Director Bhagirathi 49-B, Neru Road, Vile Parle (E) Mumbai 400057 Occ: Business Executive DIN: 00323118</p>	<ol style="list-style-type: none"> 1. Mack Trading Company Limited 2. S M Shetiseva Private Limited 3. Zillion Investment Company Limited 4. Dalal Street Investments Limited 5. Shree Bombay Cotton Mills Estate Private Limited 6. Flora Fountain Properties Ltd

Brief Profile of Directors

1. Shri Pavankumar Sanwarmal

Shri Pavankumar Sanwarmal is a Director of the Company. He is 53 years of age and has done B. Sc from Mumbai University. He is doing the business since 1980. He has a wide range of experience in the field of investment in shares and securities. He is a Director of the Company since 20th October, 1983.

2. Smt Rita Pavankumar

Rita Pavankumar is a Director of the Company. She is 50 year of age and has done B.Com from Mumbai University. She is doing business since 1985. She is a Director of the Company since 29th day of October 1998.

3. Shri Vikas Pavankumar

Shri Vikas Pavankumar is a director of the Company. He is 27 years of age and has done B tech from U.S.A. He is doing the business since 2 years. He is a Director of the Company since 29th November, 2004.

INTEREST OF DIRECTOR

Other than their respective shareholding in the Company and reimbursement of expenses incurred, all Directors of the Company have no interest in the Company.

Shareholding of Directors

The shareholding of Directors as on 31st March, 2013 is as under:

Sr. No	Name of Director	No of Shares held	%age
1	Pavankumar Sanwarmal	970	0.43
2	Rita Pavankumar	350	0.16
3	Vikas Pavankumar	NIL	NIL

Corporate Governance

Clause 49 of the Listing Agreement shall not apply to the Company as the Company's Paid up Capital is Below Rs. 3 crores.

Details of Listing

The Shares of the Company are listed on BSE Limited

Monthly High and Low Price during preceding 6 months

Months	Open Price	High Price	Low Price	Close Price
Sep-12	17762.70	17762.70	17762.70	17762.70
Oct-12	-	-	-	-
Nov-12	17407.45	17407.45	17059.35	17059.35
Dec-12	-	-	-	-
Jan-13	-	-	-	-
Feb-13	-	-	-	-
Mar-13	17400.50	17400.50	17400.50	17400.50
Apr-13	-	-	-	-
May-13	17052.50	17,052.50	16,050.00	16,050.0

(Source: www.bseindia.com)

IX. OVERVIEW OF ORGANISATION STRUCTURE & SENIOR MANAGEMENT PERSONNEL

Key Managerial Personnel

Shri Pavankumar Sanwarmal Director of the Company shall be responsible for day to day operations of the Company and as such he is the key managerial personnel. He shall be assisted in the day to day to management by a team of professionals who shall head respective business area. The other key Management personnel are as follows:-

Smt Rita Pavankumar is a Director of the Company. She is 50 year of age and has done B.Com from Mumbai University. She is doing business since 1985. She is a Director of the Company since 29th day of October 1998.

Shri Vikas Pavankumar is a director of the Company. He is 27 years of age and has done B tech from U.S.A. He is doing the business since 2 years. He is a Director of the Company since 29th November, 2004.

X. PROMOTER AND SUBSIDIARY COMPANIES

Promoters

Before the Right Offer becoming effective, the shareholding of the promoters of the Company was as under:

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares
1	Pavankumar Sanwarmal	970	0.43
2	Rita Pavankumar	350	0.16
3	Sanwarmal (HUF)	542	0.24
4	Resham Resha Pvt Ltd	90,601	40.27
5	SM Sheti Seva Pvt Ltd	87,500	38.89
Total		1,79,963	79.98

The promoters of the company will not participate in the present Right offer and they have foregone their present & future entitlement arising out of the said Right offer

After the Right Issue has become effective, the shareholding of the Promoters of the Company is as follows:

Sr.No	NAME OF THE SHAREHOLDER	Number of shares	Shares as a percentage of total number of shares
1	Pavankumar Sanwarmal	970	0.31
2	Rita Pavankumar	350	0.11
3	Sanwarmal (HUF)	542	0.17
4	Resham Resha Pvt Ltd	90,601	28.76
5	Sm Sheti Seva Pvt Ltd	87,500	27.77
Total		1,79,963	57.12

Previous Issues of Promoters

There has been no issue of capital by any of the Promoter Companies during last 3 financial years.

Subsidiary Company

The Company does not have any subsidiary company.

XI. FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DALAL STREET INVESTMENTS LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of DALAL STREET INVESTMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For A K Nevatia and Associates
(Chartered Accountants)
FRN: 107045W
Sd/-
CA Anil Kumar Nevatia

Place: MUMBAI
Date: 30/05/2013

Annexure to Independent Auditors' Report

Referred to in paragraph 1 of the Our Report of even date to the members of DALAL STREET INVESTMENTS LIMITED on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses 4 (iii) [(b), (c) and (d)] of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured loans from 3 companies, and a party. The maximum amount involved during the year was **Rs.1043.23** lacs and year end balances of loans & Advances from such Companies and party were **Rs.887.60** lacs. The terms of such loans & Advances are prima facie not prejudicial to the interest of the company.
3. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
4. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
5. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
6. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any dispute(Except Income Tax).

Income Tax Department made a demand of Rs.1,58,820/- for the A.Y.2010-11 Which is objectionable by the company.

8. The Company has accumulated loss and has not incurred cash loss during the financial year covered by our audit.

9. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

10. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.

11. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

12. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.

13. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

14. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

15. The Company has no outstanding debentures during the period under audit.

16. The Company has not raised any money by public issue during the year.

17. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

18. Clauses (ii), (viii),(xi),and (xiii) of the aforesaid order are not applicable to the company.

For A K NEVATIA AND ASSOCIATES
(Chartered Accountants)
FRN: 107045W
Sd/-

Place: MUMBAI
Date: 30/05/2013

FINANCIAL INFORMATION
FINANCIAL PERFORMANCE OF THE COMPANY
STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	AUDITED BALANCE SHEET FOR THE YEAR ENDED				
	2013	2012	2011	2010	2009
I. SHAREHOLDERS FUNDS					
(A) SHARE CAPITAL	2250000	2250000	2250000	2250000	2250000
(B) RESERVE AND SURPLUS	(43681518)	(46960523)	(46197625)	(27783827)	(35795484)
1. NON-CURRENT LIABILITIES					
(A) LONG-TERM LOANS	88760000	97985000	97875000	95669386	106264386
3. CURRENT LIABILITIES					
(a) OTHER CURRENT LIABILITIES	3130515	2810766	2568647	7195973	5065030
(b) PROVISIONS	4057000	3557000	3557000	3579000	79000
Total	54515997	59642243	60053022	80910532	77862932
I. ASSETS					
1. NON-CURRENT ASSETS					
(A) FIXED ASSETS					
TANGIBLE ASSETS	64115	78803	97437	121244	1138346
	64115	78803	97437	121244	1138346
(B) NON CURRENT INVESTMENTS	18033572	18033572	18004694	21694618	22504148
(C) LONG TERM LOAN & ADVANCES	32287443	33394926	35188994	50321111	48508017
2. CURRENT ASSETS					
(A) INVENTORIES	4101919	6267970	6699371	0	0
(B) TRADE RECEIVABLES	-	1844061	0	0	0
(C) CASH AND CASH EQUIVALENTS	28948	22911	62526	201929	54421
(d) SHARES AND SECURITIES	0	0	0	8571630	5658000
	4130867	8134942	6761897	8773559	5712421
Total	54515997	59642243	60053022	80910532	77862932

STATEMENT OF PROFIT & LOSS

Particular	PROFIT AND LOSS FOR THE YEAR ENDED				
	2013	2012	2011	2010	2009
I. REVENUE FROM OPERATIONS	7888958	1846311	1172697	194446	186246
II. OTHER INCOME	2167889	2116771	1828968	12577678	6286589
III. TOTAL REVENUE (I+II)	10056847	3963082	3001665	12772124	6472835
IV. EXPENDITURE					
PURCHASES OF STOCK-IN-TRADE	-	174793	617327	0	1482762
CHANGES IN THE INVENTORIES OF FINISHED GOODS W-I-P AND STOCK IN TRADE	2166051	431401	1872259	-2913630	1648941
EMPLOYEE BENEFIT EXPENSES	560984	681674	374366	0	0
FINANCE COSTS	2988517	2690117	2492952	2728862	2670562
DEPRECIATION AND AMORTISATION	14688	18634	23807	30186	96824
OTHER EXPENSES	547602	729361	11379903	1415049	1014834
TOTAL EXPENSES	6277842	4725980	16760614	1260467	6913923
V. PROFIT BEFORE EXECPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)	3779005	-762898	-13758949	11511657	-441088
VI. EXCEPTIONAL ITEMS	0	0	0	0	0
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (III-IV)	3779005	-762898	-13758949	11511657	-441088
VIII. EXTRAORDINARY	0	0	4669924	0	0
IX. PROFIT BEFORE TAX	3779005	-762898	-18428873	11511657	-441088
X. TAX EXPENSES				3500000	
CURRENT TAX EFFECT RELATING TO PRIOR YEARS (Provision for FBT written back)	(500000)	0	15075	0	22000
XI. PROFIT/ LOSS FOR THE PERIOD	3279005	-762898	-18413798	8011657	-463088

Cash Flow Statement for the period ended 31 March, 2013				
Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		3,779,005		(762,898)
<i>Adjustments for:</i>				
Depreciation and amortisation	14,688		18,634	
Finance costs	2,988,517		2,690,117	
Interest income	(820,260)		(816,474)	
Dividend income	(1,338,727)		(1,300,297)	
Provision for estimated losses on onerous contracts				
Provision for contingencies				
Other non-cash charges (specify)	(8,903)		-	
Net unrealized exchange (gain) / loss	-		-	
		835,316		591,980
Operating profit / (loss) before working capital changes		4,614,321		(170,918)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	1,844,061		(2,575,058)	
Short-term loans and advances	-		-	
Long-term loans and advances	1,107,483		2,525,065	
Other current assets (Inventories)	2,166,051		431,401	
Other non-current assets	-		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-		-	
Other current liabilities	319,749		242,119	
Other long-term liabilities	(9,225,000)		110,000	
Long-term provisions	-		-	
		(3,787,656)		733,527
		826,665		562,609

Cash flow from extraordinary items		-		
Cash generated from operations		826,665		562,609
Net income tax (paid) / refunds		-		-
Net cash flow from/ (used in) operating activities (A)		826,665		562,609
B. Cash flow from investing activities				
Purchase of long-term investments				
- Others (Shares)		-		(28,878)
Interest received				
- Others		820,260		816,474
Dividend received				
- Others		1,338,727		1,300,297
Other income		8,903		
		2,167,889		2,087,893
Net income tax (paid) / refunds		-		-
Net cash flow from/ (used in) investing activities (B)		2,167,889		2,087,893
C. Cash flow from financing activities				
Finance cost	(2,988,517)		(2,690,117)	
Dividends paid				
	-		-	
Tax on dividend				
	-		-	
		(2,988,517)		(2,690,117)
Cash flow from extraordinary items		-		-
Net cash flow from/ (used in) financing activities (C)		(2,988,517)		(2,690,117)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		6,037		(39,615)
Cash and cash equivalents at the beginning of the year		22,911		62,526
Cash and cash equivalents at the end of the year		28,948		22,911
(a) Cash on hand	333		194	
(b) Cheques, drafts on hand	-		-	
(c) Balances with banks				
(i) In current accounts	28,615	28,948	22,717	22,911
		6,037		(39,615)

Notes:				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
In terms of our report attached.				
For A. K. Nevatia & Associates	For and on behalf of the Board of Directors			
Chartered Accountants	Sd/-		Sd/-	
Sd/-	Director Pavankumar Sanwarmal		Director Rita Pavankumar	
CA Anil Kumar Nevatia Proprietor				
Place : Mumbai				
Date : 31/05/2013				

Significant accounting policies

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Depreciation and amortisation

Depreciation has been provided on the Reducing balance method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. As Defined in AS 22 the company has no material deferred Tax liability & hence not Provided

Employee Benefits

As Defined in AS 15 gratuity / retirement benefits (Amount unascertained) as per consistent practice are accounted on cash basis

Contingent liability

The Company has a contingent liability of Income Tax for Assessment Year 2010-11 amounting to Rs.1,58,820/-

Particulars Regarding Listed Companies under the Same Management Which Have Made Capital Issues during the Last Three Years

There are no issues made by such Companies in the last three years.

XII. OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

There are no outstanding litigations before any Court of law, Tribunals for violation of any of the laws such as the Companies Act, 1956, FEMA, IPC, SEBI Act, RBI Act.

Previous Public/Rights Issues by the Company in the last 5 years

There were no Public/ Rights issues by the Company in the last 5 years.

Revaluation of Assets:

The Company has not revalued its assets during the last five years.

XIII. DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company.

Copies of following documents are available at our registered office Vishnu Smruti Apartments, 425 / 35, TMV Colony, Gultekadi, Pune, Maharashtra 411037, for inspection on any working day (i.e. Monday to Friday and not being a bank holiday in Pune) from 11.30 a.m to 1.30 p.m.

- i. Memorandum and Articles of Association of the Company
- ii. Copy of Tripartite Agreement with National Securities Depository Ltd and Central Depository Services (India) Ltd
- iii. Memorandum of Understanding with the Registrar and Share Transfer Agent
- iv. Consents of the Directors, Company Secretary, Auditors, Bankers to the Company, Registrar to the Issue to include their names in this Draft Letter of Offer to act in their respective capacities.
- v. Letter dated 15th March, 2013 from the Auditor of the Company confirming "Statement of Tax Benefits" as provided in this Draft Letter of Offer.
- vi. Copy of Approval Letter No. DCS/PREF/SI-RT/006/13-14 dated 16th May, 2013 received from BSE Limited

- vii. Annual Report containing the Audited Accounts of the Company as on 31st March 2009, 31st March 2010, 31st March 2011, 31st March 2012 and 31st March,2013.
- viii. Copy of Resolution passed under section 81 (1A)

Any of the contracts or documents mentioned in this Draft Letter of Offer as may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

XIV. DECLARATION

No statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 1956 and the rules made hereunder. All the legal requirements connected with the said offer as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

All the information contained in this document is true and correct.

SIGNED BY DIRECTORS:

sd/-

Pavankumar Sanwarmal (Director)

sd/-

Rita Pavankumar (Director)

sd/-

Vikas Pavankumar (*) (Director)

(*) (Through his constituted Power of Attorney Pavankumar Sanwarmal)

Encl.

Composite Application Form

Date: 14th June, 2013