

# **DALAL STREET INVESTMENTS LIMITED**

**ANNUAL REPORT  
2011-2012**

**DALAL STREET INVESTMENTS LIMITED**

**ANNUAL REPORT 2011-2012**

**BOARD OF DIRECTORS**

Pavankumar Sanwarmal

Rita Pavankumar

Vikas Pavankumar

**BANKERS**

Citibank N.A

Kotak Mahindra Bank

**AUDITORS**

Messrs. A.K.Nevatia & Associates

Chartered Accountants

**REGISTERED OFFICE**

Vishnu Smruti Apartments,

425/35, TMV Colony, Gultekadi,

Pune – 411 037.

**REGISTRAR & TRANSFER AGENTS**

Universal Capital Securities Pvt. Ltd.

21, Shakil Niwas , Mahakali Caves Road,

Andheri (East), Mumbai – 400 093

**DALAL STREET INVESTMENTS LIMITED**

**NOTICE:**

NOTICE IS HEREBY GIVEN THAT the ANNUAL GENERAL MEETING OF DALAL STREET INVESTMENTS LIMITED will be held at Vishnu Smruti Apartments, 425/35, TMV Colony, Gultekadi, Pune-411 037 on Monday, 17<sup>th</sup> September, 2012 at 2.30 P.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pavankumar Sanwarmal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board



Director

**Registered Office:**

Vishnu Smruti Apartments,  
425/35, TMV Colony, Gultekadi,  
Pune 411037.

Dated: 21<sup>st</sup> August, 2012.

**Notes:**

- A) Member entitled to attend and vote is entitled to appoint a proxy to attend and vote Instead of himself and the proxy need not be a Member.
- B) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 14<sup>th</sup> September, 2012 to Monday, 17<sup>th</sup> September, 2012 both days inclusive.
- C) Members are requested to notify immediately any change in the address to the Registrar & Transfer Agents of the Company.

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders:

Your Directors have pleasure in presenting the ANNUAL REPORT on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### 1 ) FINANCIAL RESULTS OF THE COMPANY ARE AS UNDER:

	<u>CURRENT YEAR</u> <u>RS.</u>	<u>PREVIOUS YEAR</u> <u>RS.</u>
Profit/(Loss) for the year after meeting all charges and expenses but before provision for taxation	(7,62,898)	(1,84,28,873)
Less: Provision for taxation	--	--
Add: B/f (Loss) from previous year	(17,23,97,625)	(15,39,83,827)
Add/ (Less): Excess provision written back	--	15,075
<b>Available for appropriation</b>	<b>(17,31,60,523)</b>	<b>(17,23,97,625)</b>
Proposed Dividend	--	--
Corporate Dividend Tax	--	--
Transfer to General Reserve	--	--
Amount to be carried forward to next year	<b>(17,31,60,523)</b>	<b>(17,23,97,625)</b>
	<b>(17,31,60,523)</b>	<b>(17,23,97,625)</b>

### 2) DIVIDEND:

In View of carried forward losses, the Directors do not recommend the payment of dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2012.

### 3) DIRECTORS :

Mr. Pavankumar Sanwarmal retires by rotation at the ensuring Annual General Meeting and being eligible offer himself for re-appointment.

**4) DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. In presentation of the Annual Accounts, the applicable standards had been followed along with proper explanation relation to material departures;
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year and of the Profit (Loss) of your Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detection of fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a 'going concern' basis.

**5) AUDITORS:**

**A.K. NEVATIA & ASSOCIATES**, Chartered Accountants, retiring Auditors is eligible for re-appointment and offers them for re-appointment at the ensuing Annual General Meeting of the Company.

**6) PARTICULARS OF EMPLOYEES:**

None of the Employee of the Company received remuneration in excess of the limit specified u/s 217 (2A) of the Companies Act, 1956.

**7) COMPLIANCE CERTIFICATE:**

A Compliance Certificate from a Company Secretary in whole time practice, as required under section 383A of the Companies Act, 1956, regarding compliance with the provisions of the Act is annexed.

**8) DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY:**

The details as required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are not applicable to the Company having regard to the nature of business of the Company.

**9) FIXED DEPOSITS:**

During the year, the Company has not accepted any fixed deposits from the public. As on 31<sup>st</sup> March 2012, there were no Fixed Deposits with the Company.

**10) APPRECIATION:**

We wish to place on record our deep and sincere appreciation for the contribution made by the workers, staff and executives to the performance of the Company.

**BY ORDER OF THE BOARD OF DIRECTORS**



**PAVANKUMAR SANWARMAL/RITA PAVANKUMAR/VIKAS PAVANKUMAR  
( DIRECTORS)**

**Place : MUMBAI  
Dated : 30/05/2012**



# A. K. NEVATIA & ASSOCIATES

## CHARTERED ACCOUNTANTS

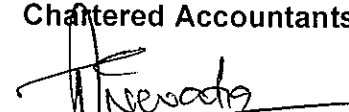
19, Laxminarayan Shopping Centre, 1st Floor, Poddar Road, Malad (E), Mumbai - 400 097.  
Tel. : 28836667 Telefax : 28829045 E-mail : ak\_nevatia@yahoo.com

### Auditor's Report to the Members of DALAL STREET INVESTMENTS LIMITED.

1. We have audited the attached Balance Sheet of **DALAL STREET INVESTMENTS LIMITED**, as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. As required by the companies (Auditors Report) order, 2003 (as amended) issued by the Government of India in terms of section 227(4A) of the companies act 1956 (the Act), we annex here to a statement on the matters specified in paragraph 4 and 5 of the said order
3. We conducted our audit in accordance with standards on auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books of accounts;
  - (c) The Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet of the company comply with the Accounting Standards as referred in Sub-Section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
  - (e) As per information and explanations given to us, none of the directors of the company are disqualified from being appointed as a director under clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to explanations given to us, the said accounts, read together with Significant Accounting Policies and Notes forming part of Accounts, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India,
- (i) In case of Balance Sheet, of the state of the affairs of the company as at 31<sup>st</sup> March 2012.
- (ii) In case of Profit and Loss Account, the "Loss" of the Company for the year ended on that date.
- (iii) In case of cash flow statement the cash flows for the year ended on that date.

for A.K.NEVATIA AND ASSOCIATES  
Chartered Accountants



  
CA ANILKUMAR NEVATIA.  
(M. NO. 040403)

19, LAXMINARAYAN SHOPPING  
CENTRE, Poddar Road, MALAD  
(EAST) MUMBAI 400097

Place : Mumbai  
Date : 30/05/2012

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in our Report of even date:

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the Management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) No disposal of Fixed Assets of the Company has taken place during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties covered in the Register maintained under section 301 of the Act.  
(b) The Company has taken unsecured loans/ advances from 3 companies and a Individual/Director. The maximum amount involved during the year was **Rs.1027.15** lacs and year end balances of Loans & Advances from them were **Rs.979.85** lacs.  
(c) The terms of such Loans & Advances are prima-facie not prejudicial to the interest of the Company.  
(d) There are no stipulation for repayment of Loans & Advances. No interest is payable except to one Company, which is paid on regular basis.
3. The Company has adequate internal control procedure commensurate with the size of the Company and nature of its Business for purchase of inventories and fixed assets and for the sale of goods and services.
4. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a Register in pursuance of section 301 of the Companies Act, 1956, have been so entered.





- (b) There are no transactions of purchase or sale of goods, materials & services made in pursuance of contracts or arrangements entered in the Register maintained U/s 301 of the Act Agreements' during the year to Rs.5,00,000/- or more in respect of each party.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted / invited any deposits falling within the preview of Section 58A / 58AA of the Companies Act, 1956 during the Financial year.
6. In our opinion, the Company has Internal Audit system commensurate with the size and nature of its Business.
7. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed Statutory dues including Investor Education Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom Duty, Provident Fund, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of, Wealth Tax, Sales Tax, Customs Duty, Excise duty ( Except Income Tax).
- Income Tax Department made a demand of Rs.1,58,820/- for the A.Y.2010-11 which is objected by the Company.**
- (c) According to the information and explanation given to us, there are no dues of Sales Tax, Customs duty, Wealth Tax, Excise duty and Cess which have not deposited on Account of any dispute.
8. The Company has been registered for more than five years. The Company has accumulated losses at the end of the Financial Year. The Company has incurred cash loss during the Financial Year and incurred cash losses in the immediately preceding Financial Year.

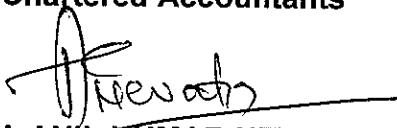


9. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
10. The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
11. In Our Opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts as to dealings or trading in shares, securities, debentures and other investments and have been held by the Company in its own name, except to the extent of the exemption, if any, granted under section 49 of the Act.
12. The Company has not taken any term loan during the year.
13. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
14. During the course of our examination of the Books of Account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.
15. The Company has not accepted any deposit from public during the year.
16. Clauses (ii), (viii),(xi),(xiii),(xiv),(xvii),(xix) and (xx) of the aforesaid order are not applicable to the Company.

Place : MUMBAI  
Date : 30/05/2012

for A.K.NEVATIA AND ASSOCIATES  
Chartered Accountants



  
CA ANIL KUMAR NEVATIA  
(M. NO. 040403)  
19, LAXMINARAYAN SHOPPING  
CENTRE, PODDAR ROAD, MALAD  
(EAST), MUMBAI, MAHARASHTRA-  
400097.

**DALAL STREET INVESTMENTS LIMITED**  
Balance Sheet as at 31 March, 2012

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	2,250,000	2,250,000
(b) Reserves and surplus	2	(46,960,523)	(46,197,625)
<b>2 Non-current liabilities</b>			
(a) Long-term Loans	3	97,985,000	97,875,000
(b) Long-term provisions	4	3,557,000	3,557,000
<b>3 Current liabilities</b>			
(a) Other current liabilities	5	2,810,766	2,568,647
<b>TOTAL</b>		<b>59,642,243</b>	<b>60,053,022</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	6	78,803	97,437
(b) Non-current investments	7	18,033,572	18,004,694
(c) Long-term loans and advances	8	33,394,926	35,188,994
<b>2 Current assets</b>			
(a) Trade receivables	9	1,844,061	-
(b) Inventories held for trade	10	6,267,970	6,699,371
(c) Cash and cash equivalents	11	22,911	62,526
<b>TOTAL</b>		<b>59,642,243</b>	<b>60,053,022</b>
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For A.K. Nevatia & Associates  
Chartered Accountants

CA Anil Kumar Nevatia  
Proprietor  
M. No. : 040403



For and on behalf of the Board of Directors

Director  
Pavankumar  
Sanwamal

Director  
Rita  
Pavankumar

Director  
Vikas  
Pavankumar

Place : Mumbai  
Date : 30/05/2012

**DALAL STREET INVESTMENTS LIMITED**

**Statement of Profit and Loss for the year ended 31 March, 2012**

Particulars		Note No.	For the year ended	For the year ended
			31 March, 2012	31 March, 2011
			AMOUNT	AMOUNT
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (net)	12	1,846,311	1,172,697
2	Other income	13	2,116,771	1,828,968
3	<b>Total revenue (1+2)</b>		<b>3,963,082</b>	<b>3,001,665</b>
4	<b>Expenses</b>			
	(a) Purchase	14A	174,793	617,327
	(b) (Increase)/Decrease in stock-in-trade	14B	431,401	1,872,259
	(c) Employee benefits expense	15	681,674	374,366
	(d) Finance costs	16	2,690,117	2,492,952
	(e) Depreciation and amortisation expense	6	18,634	23,807
	(f) Other expenses	17	729,361	11,379,903
	<b>Total expenses</b>		<b>4,725,980</b>	<b>16,760,614</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>(762,898)</b>	<b>(13,758,949)</b>
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>(762,898)</b>	<b>(13,758,949)</b>
8	<b>Extraordinary items</b>			
	Investments Written/Off (not realisable)		-	4,669,924
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>(762,898)</b>	<b>(18,428,873)</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax effect relating to prior years		-	-
	Provision for FBT Written Back		-	(15,075)
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	-
11	<b>Profit for the year</b>		<b>(762,898)</b>	<b>(18,413,798)</b>
12	<b>Earnings per share (of 10/- each):</b>			
	(a) Basic		(3.39)	(81.84)
	(b) Diluted		(3.39)	(81.84)
<b>See accompanying notes forming part of the financial statements</b>				

In terms of our report attached.  
For **A.K. Nevatia & Associates**  
Chartered Accountants

**CA Anil Kumar Nevatia**  
Proprietor  
No. 040403



For and on behalf of the Board of Directors

**Director**  
**Pavankumar**  
**Sanwamal**

**Director**  
**Rita**  
**Pavankumar**

**Director**  
**Vikas**  
**Pavankumar**

Place : Mumbai  
Date : 30/05/2012

**DALAL STREET INVESTMENTS LIMITED**  
Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(762,898)		(13,758,949)
<u>Adjustments for:</u>				
Depreciation and amortisation	18,634		23,807	
Finance costs	2,690,117		2,492,952	
Interest income	(812,534)		(785,483)	
Dividend income	(1,300,297)		(1,043,484)	
Provision for contingencies	-		-	
Other non-cash charges (specify)	-		-	
Net unrealised exchange (gain) / loss	-		-	
		595,920		687,792
Operating profit / (loss) before working capital changes		(166,978)		(13,071,157)
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	(2,575,058)		(681,199)	
Short-term loans and advances	-		-	
Long-term loans and advances	2,525,065		17,899,215	
Other current assets ( Inventories )	431,401		1,872,259	
Other non-current assets	-		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-		(2,440,000)	
Other current liabilities	242,119		(2,187,326)	
Other long-term liabilities	110,000		2,205,614	
Long-term provisions	-		-	
		733,527		16,668,563
Cash flow from extraordinary items		566,549		3,597,406
Cash generated from operations		-		-
Net income tax (paid) / refunds		566,549		3,597,406
		-		(2,092,824)
<b>Net cash flow from / (used in) operating activities (A)</b>		566,549		1,504,582
<b>B. Cash flow from investing activities</b>				
Purchase of long-term investments				
- Others ( Shares )		(28,878)		(980,000)
Interest received				
- Others		816,474		785,483
Dividend received				
- Others		1,300,297		1,043,484
		2,087,893		848,967
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		2,087,893		848,967



**DALAL STREET INVESTMENTS LIMITED**  
Cash Flow Statement for the year ended 31 March, 2012.

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>C. Cash flow from financing activities</b>				
Finance cost	(2,690,117)		(2,492,952)	
Dividends paid	-		-	
Tax on dividend	-		-	
Cash flow from extraordinary items		(2,690,117)		(2,492,952)
		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(2,690,117)</b>		<b>(2,492,952)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(35,675)</b>		<b>(139,403)</b>
Cash and cash equivalents at the beginning of the year		62,526		201,929
<b>Cash and cash equivalents at the end of the year</b>		<b>26,851</b>		<b>62,526</b>
(a) Cash on hand	194		80	
(b) Cheques, drafts on hand	-		-	
(c) Balances with banks				
(i) In current accounts	22,717	22,911	62,446	62,526
		(39,615)		(139,403)

**Notes:**

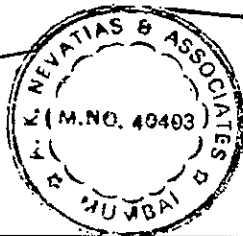
- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

For **AK.NEVATIA & ASSOCIATES**  
Chartered Accountants


  
**ANIL KUMAR NEVATIA**  
PROPRIETOR



For and on behalf of the Board of Directors

  
Director  
Pavankumar  
Sanwarmal

  
Director  
Rita  
Pavankumar

  
Director  
Vikas  
Pavankumar

Place : MUMBAI  
Date : 30/05/2012

**DALAL STREET INVESTMENTS LIMITED**

Notes forming part of the financial statements

**Note 1 : Share capital**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
<b>(a) Authorised</b>		
5,00,000 Equity shares of Rs.10/- each with voting rights	5,000,000	5,000,000
<b>(b) Issued</b>		
2,25,000 Equity shares of Rs.10/- each with voting rights	2,250,000	2,250,000
<b>(c) Subscribed and fully paid up</b>		
2,25,000 Equity shares of Rs.10/- each with voting rights	2,250,000	2,250,000
<b>Total</b>	<b>2,250,000</b>	<b>2,250,000</b>

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for equal voting rights, payment of dividend & repayment of Capital.

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	% holding in that class of shares		% holding in that class of shares	
Equity shares with voting rights				
RESHAM RESHA PVT LTD	90601	40.27%	90631	40.28%
SM SETHI SEVA PVT LTD	87500	38.89%	87500	38.89%
MAN MADE FIBRES PVT LTD	41700	18.53%	41600	18.49%

**Note 2 : Reserves & Surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
<b>General reserve</b>		
Opening balance	126,200,000	126,200,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:		
Issuing bonus shares	-	-
Others (give details)	-	-
Closing balance	<b>126,200,000</b>	<b>126,200,000</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(172,397,625)	(153,983,827)
Add: Profit / (Loss) for the year	(762,898)	(18,428,873)
Amounts transferred from:		
General reserve	-	-
Excess provision for taxes	-	15,075
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders	-	-
Tax on dividend	-	-
Transferred to:		
General reserve	-	-
Closing balance	<b>(173,160,523)</b>	<b>(172,397,625)</b>
<b>Total</b>	<b>(46,960,523)</b>	<b>(46,197,625)</b>



**DALAL STREET INVESTMENTS LIMITED**  
Notes forming part of the financial statements

**Note 3 Long-term borrowings**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
Loans and advances from related parties		
Unsecured		
(a) Inter-corporate loans	61,010,000	58,125,000
(b) Loans from Directors & their relatives	36,975,000	39,750,000
	97,985,000	97,875,000

Notes:

Inter Corporate Loans includes loan taken from Keen Investments & Leasing Ltd. This loan bears interest @ 5.5% P.A. The interest shown in Profit & Loss Account is on the loan taken from Keen Investments & Leasing Limited. This interest is accrued but not due to the party.





**DALAL STREET INVESTMENTS LIMITED**

**Notes forming part of the financial statements**

**Note 4 Long-term provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
(a) Provision For Taxation Provision for tax ( 2010-11 )	3,500,000	3,500,000
(b) Provision for employee benefits:		
(i) Provision for other employee benefits		
Provision for FBT (2006-07)	25,000	25,000
Provision for FBT (2007-08)	32,000	32,000
<b>Total</b>	<b>3,557,000</b>	<b>3,557,000</b>

**Note 5 Other current liabilities**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
<b><u>Interest on Loans Taken</u></b>		
Interest Accrued	2,421,105	2,243,657
<b><u>Other payables</u></b>		
(i) Statutory remittances		
TDS payable	269,012	249,295
(ii) <u>Others</u>		
Outstanding Expenses	120,649	75,695
<b>Total</b>	<b>2,810,766</b>	<b>2,568,647</b>



DALAL STREET INVESTMENTS LIMITED

Notes forming part of the financial statements  
Note 6 Fixed assets

A. Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2011	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	
(a) Computer Owned	183,750	-	-	183,750	182,708	417	-	183,125	1,042	
(b) Office equipment Owned	224,881	-	-	224,881	168,625	7,825	-	176,450	56,256	
(c) Vehicles Owned	947,678	-	-	947,678	907,539	10,392	-	917,931	40,139	
<b>Total</b>	<b>1,356,309</b>	<b>-</b>	<b>-</b>	<b>1,356,309</b>	<b>1,258,872</b>	<b>18,634</b>	<b>-</b>	<b>1,277,506</b>	<b>97,437</b>	
<b>Previous year</b>	<b>1,356,309</b>	<b>-</b>	<b>-</b>	<b>1,356,309</b>	<b>1,235,065</b>	<b>23,807</b>	<b>-</b>	<b>1,258,872</b>	<b>121,244</b>	



## Note 7 Non-Current Investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	No. of SHARES	FACE VALUE	Total AMOUNT	No. of SHARES	FACE VALUE	Total AMOUNT
<u>Other investments</u>						
Investment in equity instruments (i) of other entities						
<b>(a) EQUITY SHARES QUOTED</b>						
Nakshatra Infrastructure Ltd.	39,211	10	271,530	39,211	10	271,530
Apcotex lattics Ltd.	50	10	4,255	50	10	4,255
Balmer Lawrie Investments Ltd. (alloted as per scheme of arrangement & reconstruction between IBP Co. & Balmer Lawrie Investment Ltd.)	12,900	10	-	12,900	10	-
Aditya Birla Nuvo Ltd.	765	10	238,826	765	10	238,826
Birla VXL India Ltd.	200	10	13,860	200	10	13,860
C.P. Railway Co.Ltd.	10,800	10	15,265	10,800	10	15,265
CIFCO Finance Ltd.	50	10	392	50	10	392
Deccan Cements Ltd.	40,919	10	738,754	40,919	10	738,754
ECE Industries Ltd.	18,800	10	1,430,000	18,800	10	1,430,000
Eddycurrent controls Ltd.	4,250	10	42,500	4,250	10	42,500
Emami Ltd.	1,176	1	-	1,176	1	-
Essar Oil Ltd.	9,750	10	144,293	9,750	10	144,293
Four Soft Ltd.	500	5	47,404	500	5	47,404
Gujarat State Fertilizer Co. Ltd.	1,480	10	142,347	1,480	10	142,347
Geodesic Information Sys. Ltd.	2,830	10	500,055	2,830	10	500,055
Hindalco Industries Ltd.	1,417	1	136,032	1,417	1	136,032
Hindalco Industries Ltd.	43,250	1	-	43,250	1	-
Hindustan Oil Exploration Co.Ltd.	50	10	7,760	50	10	7,760
Indian Oil Corporation.Ltd.	6,821	10	451,551	6,821	10	451,551
Industrial Investment Trust Ltd.	50,700	10	213,130	50,700	10	213,130
Indian Metals & Ferro Alloys Ltd.	209	10	50,270	209	10	50,270
Industrial Fin. Corpn. of India Ltd.	100	10	3,500	100	10	3,500
Indian Hume Pipe Co. Ltd.	3,580	2	3,187	3,580	2	3,187
Kinetic Engineering Ltd.	4,400	10	20,163	4,400	10	20,163
Heidelber Cements India Ltd. ( Formerly known as Mysore Cements Ltd.)	274	10	10,705	274	10	10,705
Morgan Stanely Mutual Fund	10,000	10	60,831	10,000	10	60,831
NBI Industrial Fin.Co.Ltd.	2,625	10	36,875	2,625	10	36,875
National Minerals Dev. Corpn. Ltd.	250	1	-	250	1	-
Orient Beverages.	27,000	10	405,000	27,000	10	405,000
Oriental Carbon & Chemical	200	10	28,878	-	-	-
The Oudhsugar Mills Ltd.	79,258	10	3,851,199	79,258	10	3,851,199
Plenty Valley Tea & Coffee Ltd.	34,000	10	284,332	34,000	10	284,332
Panjon Ltd.	92,000	10	2,105,269	92,000	10	2,105,269
Pilani Invest. & Ind Corpn. Ltd.	18,844	10	220,830	-	-	-
Reliance Industries Ltd.	15	10	2,114	15	10	2,114
Reliance Power Ltd.	1,617	10	617,305	1,617	10	617,305
Raymond Ltd .	4,592	10	-	4,592	10	-
Standard Batteries Ltd.	250	0.50	12,500	250	0.50	12,500
Supreme Inds.Ltd.	200	2	1,000	200	2	1,000
Sesa Goa Ltd.	24,560	1	4,400	24,560	1	4,400
State Bank of India.	11	10	1,051	11	10	1,051
Southern Online Bio Tech. Ltd.	500	10	5,000	500	10	5,000
Thana Electric Supply co.Ltd.	173,023	10.00	5,615,316	173,023	10.00	5,615,316
Tata Steel Limited.	133	10	57,900	133	10	57,900
UTI Master Gain 92	2,200	10	27,542	2,200	10	27,542
Voith Paper Fabrics India Ltd.	22,960	10	82,712	22,960	10	82,712
Yule Finance & Leasing Ltd.	400	10	4,000	400	10	4,000
Zandu Realty Ltd.	42	100	1,538	42	100	1,538
UTI MAster Gain 92 (Bonus)	39	10	-	39	10	-
<b>(b) EQUITY SHARES UNQUOTED</b>						
Shree Bombay Cotton Mills Estate Pvt Ltd.	4,750	10	122,201	4,750	10	122,201
Pilani Investments & Industries Corporation Limited				18,844	10	220,830
<b>Total - Other investments</b>	<b>753,951</b>	<b>515</b>	<b>18,033,572</b>	<b>753,751</b>	<b>505</b>	<b>18,004,694</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>18,033,572</b>			<b>18,004,694</b>
Aggregate amount of quoted investments			17,911,371			17,661,663
Aggregate market value of listed and quoted investments			55,098,867			53,934,102
Aggregate amount of unquoted investments			122,201			343,031



**DALAL STREET INVESTMENTS LIMITED**

Notes forming part of the financial statements

**Note 8 Long-term Loans and Advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
<b>(a) Security deposits</b>		
Unsecured, considered good	21,133	23,100
Less: Provision for doubtful deposits	-	-
<b>(b) Loans and advances to other corporates</b>		
Unsecured, considered good	29,354,461	31,123,464
Less: Provision for doubtful loans and advances	-	-
<b>© Loans and advances to others</b>		
Unsecured, considered good	478,450	502,000
Less: Provision for doubtful loans and advances	-	-
<b>(d) Receivable from Government Authorities.</b>		
Unsecured Considered Good	225,645	225,645
<b>(e) Prepaid expenses - Unsecured, considered good</b>	1,800	3,600
<b>(f) Advance income tax &amp; FBT</b>	3,313,437	3,311,185
Unsecured, considered good		
<b>Total</b>	<b>33,394,926</b>	<b>35,188,994</b>

**Note 9 Trade receivables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
<b>Other Trade receivables</b>		
Unsecured, considered good	1,844,061	-
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>1,844,061</b>	<b>-</b>



**DALAL STREET INVESTMENTS LIMITED**  
**Notes forming part of the financial statements**

**Note 10 Inventories**  
 (At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
Stock-in-trade (acquired for trading)	6,267,970	6,699,371
<b>Total</b>	<b>6,267,970</b>	<b>6,699,371</b>

**Notes forming part of the financial statements**

**Note 11 Cash and cash equivalents**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	AMOUNT	AMOUNT
(a) Cash on hand	194	80
(b) Balances with Banks (i) In current accounts	22,717	62,446
<b>Total</b>	<b>22,911</b>	<b>62,526</b>



**DALAL STREET INVESTMENTS LIMITED**  
**Notes forming part of the financial statements**

**Note 12 Revenue from operations**

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		AMOUNT	AMOUNT
(a)	SALE OF STOCKS ( SHARES )	1,846,311	1,172,697
(b)	Less: Excise duty/ Other duties	-	-
	<b>Total</b>	<b>1,846,311</b>	<b>1,172,697</b>

**Notes forming part of the financial statements**

**Note 13 Other income**

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		AMOUNT	AMOUNT
(a)	Interest income		
	Interest on loans lended	812,219	756,888
	Interest from investments ( Debentures )	315	473
	Interest on Income Tax Refund	3,940	27,937
(b)	Dividend income:		
	From long-term investments		
	Subsidiaries	-	-
	Others	1,300,297	1,043,484
(c)	Other Income	-	186
	<b>Total</b>	<b>2,116,771</b>	<b>1,828,968</b>



**DALAL STREET INVESTMENTS LIMITED**

Notes forming part of the financial statements

**Note 14.A Purchase of traded inventory**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	AMOUNT	AMOUNT
Shares for Trade	174,793	617,327
<b>Total</b>	<b>174,793</b>	<b>617,327</b>

**Note 14.B Changes in inventories of stock-in-trade**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	AMOUNT	AMOUNT
<u>Inventories at the end of the year:</u> Stock-in-trade	6,267,970	6,699,371
<u>Inventories at the beginning of the year:</u> Stock-in-trade	6,699,371	8,571,630
<b>Net (increase) / decrease</b>	<b>431,401</b>	<b>1,872,259</b>



**DALAL STREET INVESTMENTS LIMITED****Note 15 Employee benefits expense**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	AMOUNT	AMOUNT
Salaries, wages & other payments to employess	681,674	374,366
<b>TOTAL</b>	<b>681,674</b>	<b>374,366</b>

**Note 16 Finance costs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	AMOUNT	AMOUNT
Interest expense on: (i) Others (ii) Interest on loan	2,690,117	2,492,952
<b>Total</b>	<b>2,690,117</b>	<b>2,492,952</b>





**DALAL STREET INVESTMENTS LIMITED**  
**Notes forming part of the financial statements**

**Note 17 Other expenses**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	AMOUNT	AMOUNT
Repairs and maintenance		
Vehicle	11,748	52,074
Other repairs	-	5,000
Insurance	3,193	3,105
Rates and taxes		
Communication	55,621	95,859
Travelling and conveyance	11,189	15,965
Printing and stationery	32,923	29,290
Business promotion	48,704	24,928
Legal and professional	262,669	472,683
Demat Charges	23,047	8,344
Service Charges	26,472	7,445
Staff welfare	34,181	31,914
Vehicle Expenses	167,471	122,191
Bad loans and advances written off	-	10,414,367
Right issue Application Fees	-	55,150
Payments to auditors (Refer Note (i) below)	19,663	19,303
Miscellaneous expenses	32,480	22,285
<b>Total</b>	<b>729,361</b>	<b>11,379,903</b>

**Notes: (i)**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	AMOUNT	AMOUNT
(i) Payments to Auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	12,360	12,500
For taxation matters	7,303	3,500
For other services	-	3,303
Reimbursement of expenses	-	-
<b>Total</b>	<b>19,663</b>	<b>19,303</b>



**DALAL STREET INVESTMENTS LIMITED**

Notes forming part of the financial statements

Note 18 Disclosures under Accounting Standards

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Earnings per share (AS 20)</b>		
Net profit for the year (before tax)	(762,898.00)	(18,413,798.00)
Provision for Taxation	-	-
Net profit attributable to equity shareholders	(762,898.00)	(18,413,798.00)
Weighted average number of equity shares	225,000.00	225,000.00
Earnings per share - Basic & Diluted	(3.39)	(81.84)
Par value per share	10.00	10.00

As the Companies main activity is to deal in shares & Securities, there are no reportable segment as defined in AS 17.



**DALAL STREET INVESTMENTS LIMITED**

Notes forming part of the financial statements

**Note 19 Disclosures under Accounting Standards**

Particulars		
<b>Related party Disclosures ( AS 18)</b>		
<b>Details of related parties:</b>		
Description of relationship	Names of related parties	
Key management personnel ( Directors )	Pavankumar Sanwarmal Rita Pavankumar Vikas Pavankumar	
<b>Details of related party transactions during the year ended 31 March, 2012 and Balances outstanding as on 31st March, 2012</b>		
Particulars	KMP	Total
Finance		
<u>Balances outstanding at the beginning of the year</u>	39750000	97875000
Loan Taken During the year	2550000	7377500
Loans Repaid During the year	5325000	7267500
<u>Balances outstanding at the end of the year</u>	36975000	97985000



**Dalal Street Investments Limited**  
**Notes forming part of the financial statements**

Note	Particulars
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**20 Corporate information**

Dalal Street Investments Limited is an Investment and Trading company.

Registered Office

Vishnu Smruti Apartments, 425/35, TMV Colony, Gultekadi, Pune 411037.

**21 Significant accounting policies**

**21.1 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.

**21.2 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.

**21.3 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.

**21.4 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.

**21.5 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.

**21.6 Other income**

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



### **21.7 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.

### **21.8 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 include acquisition charges such as brokerage, fees and duties.

### **21.9 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.

### **21.10 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

### **21.11 Employee Benefits**

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

### **21.12 Contingent liability**

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

### **22.13 Revised Schedule VI not suitable for specific disclosure**

As per Revised Schedule VI disclosure regarding netting up off provision of Tax, Advance-tax & TDS is unsuitable as regard to assessment procedure and client satisfaction. Therefore above items are shown separetaly in particular schedule respectively.

