

DALAL STREET INVESTMENTS LIMITED


NOTICE

NOTICE IS HEREBY GIVEN THAT the ANNUAL GENERAL MEETING of DALAL STREET INVESTMENTS LIMITED will be held at 68-B, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, on Friday, the 27th day of August, 2010 at 12.30 P. M. to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 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 Mrs. Rita Pavankumar, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board


Director

Registered Office :

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

Dated : 2nd August, 2010.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and the Share Transfer Books of the Company remained closed from 20th July, 2010 to 23rd July, 2010 both days inclusive.
- (c) Members are requested to notify immediately any change in the address to the Registrar & Transfer Agents of the Company.

DALAL STREET INVESTMENTS LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

	Rs.	Previous year Rs.
	-----	-----
Profit/(Loss) for the year after meeting all charges and expenses but before Provision for Taxation	1,15,11,657	(4,41,088)
Less: Provision for Taxation	35,00,000	—
Fringe Benefits Tax	—	22,000
	-----	-----
	80,11,657	(4,63,088)
Add/(Less): Balance of Profit/(Loss) brought forward from last year	(16,19,95,484)	(16,15,32,914)
Excess provision for tax for earlier years	—	518
	-----	-----
	(15,39,83,827)	(16,19,95,484)
	=====	=====
Balance in Profit and Loss Account carried to Balance Sheet	(15,39,83,827)	(16,19,95,484)
	-----	-----
	(15,39,93,827)	(16,19,95,484)
	=====	=====

2. DIVIDEND:

In view of carried forward losses the Directors do not recommend the payment of dividend on Equity Shares for the year ended 31st March, 2010.

3. AUTHORISED SHARE CAPITAL

During the year, Authorised Share Capital of the Company was increased from Rs. 25 lacs to Rs. 50 lacs.

4. REGISTERED OFFICE

Office Premises where Registered Office was situated has been shifted to Block No. 68-B of Nariman Bhavan as the Office Premises-Block No. 65 has been disposed off during the year.

5. FIXED DEPOSITS :

The Company has not been accepting any Fixed Deposits from the Public. As on 31st March, 2010, there were no Fixed Deposits with the Company.

6. DIRECTORS:

Mrs. Rita Pavankumar, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

7. DIRECTORS' RESPONSIBILITY:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that: in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the Profit of the Company for the year ended March 31, 2010. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

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

D. AUDITORS :

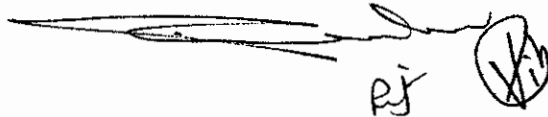
Messrs. R. V. Shah & Co., Chartered Accountants, retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

10. PARTICULARS OF EMPLOYEES :

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

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

For and on behalf of the Board

A handwritten signature in black ink, followed by the initials 'RJ' and a circular stamp containing the number '113'.

Directors

Place : Mumbai

Dated : 31st May, 2010

DALAL STREET INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

audited the attached Balance Sheet of DALAL STREET INVESTMENTS LIMITED as at 31st March, 2010 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ending on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our

conducting our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, among other things, testing on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

In addition to our comments in the annexure referred to above, we report that:

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.

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.

The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.

In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.

...2/-



Based on representations made by all the Directors of the company to the Board the information and explanations as made available to us by the company, none of the Directors of the company prima-facie have any disqualifications as referred to in clause (g) of sub-section (1) of Section 274 of the Act.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
- b) in the case of Profit and Loss Account, of the Profit for the year ended on that date,

and

- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date



For R. V. SHAH & CO.,
Chartered Accountants

Rvshah

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

1st May, 2010.

WE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF STREET INVESTMENTS LTD.

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

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

b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.

c) A substantial part of Fixed Assets being Office Premises alongwith furniture and office equipments were disposed off during the year and it has not affected the going concern.

a) The company has traded in Shares and Securities by purchasing/selling shares and securities, the balance of which is closing stock. The stock has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.

b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) The company is maintaining proper records of inventory. No discrepancies were noticed on verification between physical stock and the book records.

a) The company has not granted any loans, secured or unsecured, to companies, firms or any other parties covered in the register maintained under section 301 of the Act.

b) The company has taken unsecured loans/advances from three companies and a party. The maximum amount involved during the year was Rs.1077.85 lacs and year end balance of loans/advances from such companies and party were Rs.900.85 lacs.

The terms of such loans/advances are prima facie not prejudicial to the interest of the company.

There are no stipulation for repayment of loans/advances. No interest is payable except to one company, which is paid regularly.

In our opinion, there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and services.



In our opinion, the transactions that need to be entered in the register maintained under Section 301 of the Act have been so entered.

There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act aggregating during the year to Rs. 5,00,000/- or more in respect of each party.

company has not accepted any deposits from the public.

In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.

The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities applicable to it.

At the end of the financial year there were no undisputed dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited.

company has been registered for more than five years. Company has accumulated losses at the end of the financial year exceeding fifty percent of its net worth. company has earned cash profits during the financial year and but incurred cash loss in the immediately preceding financial year.

company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.

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 investments and have been held by the company in its name, except to the extent of the exemption, if any, granted under Section 49 of the Act.

The company has not given any guarantee for loans taken by members from bank or financial institutions.

There were no term loans obtained by the company during the year.

According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.

During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud by the company. We have been informed earlier by the management of an instance of fraud on the company, the necessary civil suits are pending in the Courts of Law.

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



For R. V. SHAH & CO.,
Chartered Accountants

R V Shah

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

Mumbai
1st May, 2010.

NOTES ON ACCOUNTS

14

per our attached
report of even date

R.V. SHAH & CO.
Chartered Accountants

For and on behalf of the Board

Rvshah

[Signature]

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

DIRECTORS

Place: Mumbai
Dated: 31st May, 2010.



STREET INVESTMENTS LIMITED

AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	YEAR ENDED SCHEDULE 31/03/2010 Rs.	YEAR ENDED 31/03/2009 Rs.
INCOME		
Dividend	194,446	186,246
Interest and Other Income	1,026,379	1,028,511
Profit on Sale of Investments (net)	—	4,703,380
Profit on Sale of Premises	658,836	554,698
Increase/(Decrease) in Stock-Trade	10,892,463	—
	12	(1,648,941)
	15,685,754	4,823,894
EXPENDITURE		
Purchases - Shares & Securities	—	1,482,762
Operating, Administrative and Other Expenses	13	1,327,955
Profit on Sale of Investments (Net)	37,177	—
Interest	2,728,862	2,670,562
Depreciation	30,186	86,824
Losses w/off	49,917	—
	4,174,097	5,264,982
PROFIT/(LOSS) FOR THE YEAR	11,511,657	(441,088)
Provision For Taxation	3,500,000	—
Employee Benefits Tax	—	22,000
PROFIT/(LOSS) AFTER TAX	8,011,657	(463,088)
Balance Brought Forward	(161,995,484)	(161,532,914)
Provision for Tax for Prior years	—	518
AVAILABLE FOR APPROPRIATION	(153,983,827)	(161,995,484)
APPROPRIATIONS:		
Balance CARRIED TO BALANCE SHEET	(153,983,827)	(161,995,484)
	(153,983,827)	(161,995,484)
Basic & Diluted earnings per share		
Rs. 10/- each	35.61	(2.05)



STATES ON ACCOUNTS

14

per our attached
report of even date

R.V. SHAH & CO.
Chartered Accountants

For and on behalf of the Board

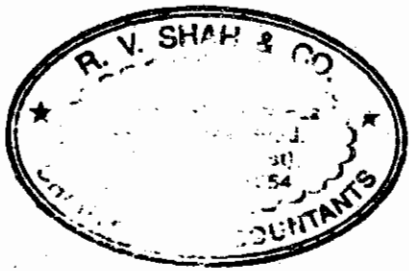
Rvshah

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DIRECTORS

R.V. SHAH)
Proprietor
Membership No. 016097

Place: Mumbai
dated: 31st May, 2010.



DALAL STREET INVESTMENTS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2010 Rs.	AS AT 31/03/2009 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED 5,00,000 (P.Y. 2,25,000) Equity Shares of Rs. 10/- each	5,000,000	2,250,000
	5,000,000	2,250,000
ISSUED AND SUBSCRIBED		
2,25,000 Equity Shares of Rs.10/- each fully paid-up	2,250,000	2,250,000
	2,250,000	2,250,000
SCHEDULE - 2		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per Last Balance Sheet	126,200,000	126,200,000
Add: Transfer from P & L A/c.	--	--
	126,200,000	126,200,000
Balance in Profit and Loss Account	(153,983,827)	(161,995,484)
	(27,783,827)	(35,795,484)
SCHEDULE - 3		
SECURED LOANS		
Others (Secured against pledge of Equity Shares held by the Company)	5,584,386	5,584,386
	5,584,386	5,584,386
SCHEDULE - 4		
UNSECURED LOANS		
Inter Corporate Deposits	61,310,000	58,780,000
From a Director	28,775,000	41,900,000
	90,085,000	100,680,000



SCHEDULE FORMING PART OF THE BALANCE SHEET

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	COST AS AT 31.03.2009	ADDITIONS DURING THE YEAR	SUB TOTAL	SALE/ DEDUCTIONS DURING THE YEAR	COST AS AT 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	SALE/ DEDUCTIONS DURING THE YEAR	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Buildings	2,501,521	—	2,501,521	2,501,521	—	1,559,244	—	1,559,244	—	—	942,277
Air Conditioner	88,000	—	88,000	88,000	—	44,232	—	44,232	—	—	43,768
Computer	183,750	—	183,750	—	183,750	180,855	1,158	—	182,013	1,737	2,895
Furniture & Fixtures	80,897	—	80,897	80,897	—	74,748	—	74,748	—	—	6,149
Office Equipments	219,603	5,278	224,881	—	224,881	149,429	10,107	—	159,536	65,345	70,174
Vehicles	947,678	—	947,678	—	947,678	874,595	18,921	—	893,516	54,162	73,083
TOTAL	4,021,449	5,278	4,026,727	2,670,418	1,356,309	2,883,103	30,186	1,678,224	1,235,065	121,244	1,138,346
Previous Year	4,021,449	—	4,021,449	—	4,021,449	2,786,279	96,824	—	2,883,103	1,138,346	



DALAL STREET INVESTMENTS LIMITED

SCHEDULE '8'

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010
INVESTMENTS - AT COST - NON-TRADE (LONG-TERM)

Sr. No.	Name of the Company	Nos.	Face Value Rs.	At Book Value/Cost Rs.	Nos.	As at 31.03.2009 Rs.
1	2	3	4	5	6	7
	QUOTED :					
A.	IN FULLY PAID EQUITY SHARES:					
1	Ancent Software International Ltd.	39,211	10	271,530	39,211	271,530
2	Appcotex Lattices Ltd.	50	10	4,255	50	4,255
3	Balmer Lawrie Investments Ltd. (allotted as per Scheme of arrangement and reconstruction between IIP Co. & Balmer Lawrie Investments Ltd.)	12,900	10	—	12,900	—
4	Aditya Birla Nuvo Ltd.	765	10	238,826	765	238,826
5	Birla VM India Ltd.	200	10	13,860	200	13,860
6	The Central Provinces Railways Company Ltd.	10,800	10	15,265	10,800	15,265
7	Cifco Finance Ltd.	50	10	392	50	392
8	Deccan Cements Ltd.	40,919	10	738,754	40,919	738,754
9	Elcot Power Controls Ltd.	1,000	10	75,000	1,000	75,000
10	ECE Industries Ltd.	9,000	10	450,000	9,000	450,000
11	Eddy Current Controls (India) Ltd.	4,250	10	42,500	4,250	42,500
12	Enami Ltd.	588	2	—	—	—
13	Essar Oil Ltd.	9,750	10	144,293	9,750	144,293
14	Four Soft Ltd.	500	5	47,404	500	47,404
15	Gujarat State Fertilizer Co. Ltd.	1,480	10	142,347	1,480	142,347
16	Geodesic Information Systems Ltd.	2,830	10	500,055	2,830	500,055
17	Hindalco Industries Ltd.	43,250	1	—	43,250	—
18	Hindalco Industries Ltd.	1,417	1	136,032	1,417	136,032
19	Hindustan Oil Exploration Co. Ltd.	50	10	7,760	50	7,760



1	2	3	4	5	6	7
20	Indian Oil Corporation Ltd. (includes 73 Bonus shares recd. during the year)	6,821	10	451,551	6,748	451,551
21	The Industrial Investment Trust Ltd.	50,700	10	213,130	50,700	213,130
22	Indian Metals & Ferro Alloys Ltd.	209	10	50,270	209	50,270
23	The Industrial Finance Corporation of India Ltd.	100	10	3,500	100	3,500
24	The Indian Home Pipe Company Ltd.	716	10	3,187	716	3,187
25	Kinetic Engineering Ltd.	4,400	10	20,163	4,400	20,163
26	Mysore Cements Ltd.	274	10	10,705	274	10,705
27	M.B.I. Industrial Finance Co. Ltd.	2,625	10	36,875	2,625	36,875
28	National Mineral Development Corpn. Ltd.	250	1	—	1,500	149,130
29	Orient Beverages Ltd.	27,000	10	405,000	27,000	405,000
30	The Gudh Sugar Mills Ltd.	79,258	10	3,851,199	79,258	3,851,199
31	Plenty Valley Tea & Coffee Ltd.	34,000	10	284,332	34,000	284,332
32	Panjon Ltd.	92,000	10	2,105,269	92,000	2,105,269
33	Reliance Industries Ltd.	15	10	2,114	15	2,114
34	Reliance Power Ltd.	1,617	10	617,305	1,617	617,305
35	Raymond Ltd.	4,592	10	—	4,592	—
36	Standard Batteries Ltd.	250	0.50	12,500	250	12,500
37	Supreme Industries Ltd.	40	10	1,000	40	1,000
38	Sesa Goa Ltd.	24,560	1	4,400	24,560	4,400
39	Seshasayee Industries Ltd.	123,000	10	568,260	123,000	568,260
40	State Bank of India	11	10	1,051	11	1,051
41	Stellar Exports Ltd.	168,000	10	1,680,000	168,000	1,680,000
42	Southern Online Bio Tech Ltd.	500	10	5,000	500	5,000
43	The Thana Electric Supply Company Ltd.	173,023	10	5,615,316	173,023	5,615,316
44	Tata Steel Ltd.	103	10	57,900	73	21,900
45	Tata Steel Ltd.-CCPS	—	100	—	360	36,000
46	Voith Paper Fabrics India Ltd.	22,960	10	82,712	22,960	82,712
47	Yule Financing & Leasing Co. Ltd.	400	10	4,000	400	4,000
48	Zandu Pharmaceuticals Works Ltd.	42	100	1,538	42	1,538
				18,916,550		19,065,680



1	2	3	4	5	6	7
B. UNITS :						
1	Morgan Stanley Mutual Fund	10,000	10	60,831	10,000	60,831
2	Units of Unit Trust of India - Master Shares	39	10	—	39	—
3	Master Gain, 1992	2,200	10	27,542	2,200	27,542
				<u>88,373</u>		<u>88,373</u>
UNQUOTE :						
A. IN FULLY PAID EQUITY SHARES :						
1	HBL Plastics Ltd.	—	10	—	16,040	160,400
2	Pilani Investment & Ind. Corpn. Ltd.	18,844	10	220,830	18,844	220,830
3	Lishaku Leasing & Finance Ltd.	—	10	—	50,000	500,000
4	Southern Switchgear Ltd.	101,488	10	2,346,664	101,488	2,346,664
5	Shree Bombay Cotton Mills Estate Pvt.Ltd.	4,750	10	122,201	4,750	122,201
6	Saurashtra Chemicals Ltd.	271	10	—	271	—
				<u>2,689,695</u>		<u>3,350,095</u>
				<u>COST/BOOK VALUE</u>		<u>MARKET VALUE</u>
				Rs.		Rs.
NOTES :						
Aggregate of Quoted Investments				19,004,923		55,859,081
Previous year				(19,154,053)		(30,662,006)
Aggregate of Unquoted Investments				2,689,695		
Previous year				(3,350,095)		
				<u>21,694,618</u>		
				<u>(22,504,148)</u>		



DALAL STREET INVESTMENTS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2010 Rs.	AS AT 31/03/2009 Rs.
SCHEDULE - 7		
STOCK-IN-TRADE		
(at cost or realisable value whichever is lower - valued and certified by the management)	8,571,630	5,658,000
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash on hand	481	732
Balances with Scheduled Banks In Current Accounts	201,448	53,689
	201,929	54,421
SCHEDULE - 9		
LOANS & ADVANCES		
Unsecured-considered good		
Inter Corporate Deposits	29,550,000	25,875,000
Interest Receivable on I.C. Deposits	13,219,110	13,453,510
Advances recoverable in cash or kind for value to be received	2,616,600	5,110,913
Advance Income-tax/Fringe Benefits Tax, Tax Deducted at Source & Self Assessment etc.	4,912,301	4,045,494
Sundry Deposits	23,100	23,100
	50,321,111	48,508,017
SCHEDULE - 10		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	2,513,346	2,538,828
Interest accrued but not due on loans	4,409,741	1,953,765
Other Liabilities	272,886	572,437
	7,195,973	5,065,030
PROVISIONS		
Provision for Taxation	3,500,000	—
Provision for Fringe Benefits Tax	79,000	79,000
	3,579,000	79,000



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

	YEAR ENDED 31/03/2010 Rs.	YEAR ENDED 31/03/2009 Rs.
SCHEDULE - 11		
INTEREST AND OTHER INCOME		
Interest on Debentures (Tax Deducted at Source Rs.Mil/-) Previous Year Rs.107/-)	472	472
Interest - On Inter Corporate Deposits (Tax Deducted at Source Rs.65,807/- Previous Year Rs.111,494/-)	658,072	541,233
Interest - Others	---	12,440
Miscellaneous Income	292	553
	658,836	554,698

SCHEDULE - 12		
Increase/(Decrease) in Stock-in-trade		
Opening Stock	5,658,000	7,306,941
Less: Closing Stock	8,571,630	5,658,000
	2,913,630	(1,648,941)

SCHEDULE - 13		
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, Allowances & Bonus	455,698	466,304
Company's Profession Tax	2,500	1,360
Electricity Charges	3,680	6,689
Insurance	3,696	5,640
Printing & Stationery	30,001	23,722
Travelling & Conveyance Expenses	62,692	35,271
Legal & Professional Fees	175,518	58,269
Vehicle Expenses	172,263	143,373
Filing Fees/Stamp duty	60,510	---
Auditors' Remuneration:		
Audit Fees	12,500	12,500
Tax Audit Fees	2,000	2,000
Taxation	1,500	1,500
Other Services	3,303	3,303
	19,303	19,303
Postage & Telephone Expenses	79,543	85,426
Repairs & Maintenance - Buildings	153,459	34,308
Miscellaneous Expenses	109,092	135,169
	1,327,955	1,014,834



DALAL STREET INVESTMENTS LIMITED

SCHEDULE '14'

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

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

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

Description	Unit	OPENING STOCK		PURCHASES *		SALES *		CLOSING STOCK	
		Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
Units Number		1,376,972 (1,376,519)	5,658,000 (7,306,941)	400 (1,453)	— (1,482,762)	2,000 (1,000)	194,446 (186,246)	1,375,372 (1,376,972)	8,571,630 (5,658,000)

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

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

Figures in the brackets relates to the previous year.



3. ACCOUNTING POLICIES :

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

(a) Fixed Assets and Depreciation :

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

(b) Investments and Investment Income :

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

(c) Inventories :

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

4. The Income tax Department has filed an Appeal in the Supreme Court against the decision of High Court of Bombay in respect of Asstt. Year 2001-02. Pending appeal, no provision has been made in the accounts.
5. The Company is Registered with Reserve Bank of India as Non-Banking Financial Company.
6. As the Company's main activity is to deal in shares and securities, there are no reportable segment as defined in Accounting Standard 17.
7. Basic and Diluted Earning per Equity Share of Rs.10/- each for the year ended 31st March, 2010 is Rs.35.61 (Previous Year Rs.(2.05)).
8. As defined in Accounting Standard 22 Company do not have material deferred tax liability.
9. As required by Accounting Standard - AS 18 - "Related Parties Disclosures" issued by the The Institute of Chartered Accountants of India are as follows:

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

(A) Key Management Personnel

- Pavankumar Samarnal- Director
- Rita Pavankumar - Director
- Vikas Pavankumar - Director



Details of transactions during the year are as follows:

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

Key Management personnel Rs. 49.60 lacs

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

Key Management personnel Rs. 180.85 lacs

(C) Outstanding Balances as at 31st March, 2010
Payable by Company

Key Management personnel Rs. 287.75 lacs

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

(a) Registration Details

Registration No.	19,987	State Code	11
Balance Sheet Date	31 Date	03 Month	2,010 Year

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

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

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

Sources of Funds	Total Liabilities	Total Assets
	70,136	70,136
	Paid-up Capital	Reserves & Surplus
	2,250	(27,783)
	Secured Loans	Unsecured Loans
	5,584	90,085



Application of Funds

Net Fixed Assets
121

Investments
21,695

Net Current Assets
48,320

Miscellaneous Expenditure
Nil

Accumulated Losses
NIL

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

Turnover / Income
15,686

Total Expenditure
4,174

Profit/(Loss) before tax
11,512

Profit/(Loss) after tax
8,012

Earnings per Share (Annualised) in Rs.35.61

Dividend Rate
Nil

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

Not Applicable

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

SIGNATORIES TO SCHEDULES '1' TO '14'

As per our attached Report of even date

For R. V. SHAH & CO.,
Chartered Accountants

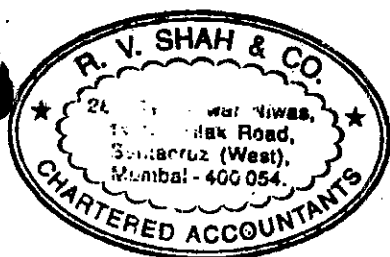
R. V. Shah

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

For and on behalf of the Board

[Signature]

RJ *[Signature]*
DIRECTORS



PLACE : Mumbai
DATED : 31st May, 2010.

DALAL STREET INVESTMENTS LIMITED

ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rs. in lakhs	
	Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES		
a. Net Profit/(Loss) Before Tax & Extraordinary Items	115.12	(4.41)
Adjustments For :		
Depreciation	0.30	0.97
Interest & Dividend Income	10.44	10.88
Other Income	0.87	(47.03)
b. Operating Profit Before Working Capital Changes	126.73	(39.59)
Adjustments For :		
Inventories	(29.14)	16.49
Loans & Advances	(9.46)	90.26
Trade Payables	21.31	(12.35)
c. Cash Generated from Operations	109.44	54.81
Interest Paid	(27.29)	(26.71)
Direct Taxes Paid	(8.67)	(1.24)
d. Cash Flow Before Extraordinary Items	73.48	26.86
Extraordinary items	(108.92)	0.01
Net Cash flow from Operating Activities	(35.44)	26.87
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	118.35	---
Purchase of Fixed Assets	(0.05)	---
Sale of Investments	7.72	53.19
Purchase of Investments	---	(0.12)
Interest Received	6.59	5.54
Dividend Received	10.26	10.29
Net Cash used in Investing Activities	142.87	68.90



D. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Issue of Share Capital	---	---
Proceeds from Long Term Borrowings	(105.95)	(96.31)
Dividend Paid	---	---
Net Cash used in Financing Activities	<u>(105.95)</u>	<u>(96.31)</u>
E. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	1.48	(0.54)
Cash and Cash Equivalent at beginning of the year	0.54	1.08
Cash and Cash Equivalent at end of the year	2.02	0.54

AS PER OUR ATTACHED REPORT OF EVEN DATE

R. V. SHAH & CO.
Chartered Accountants

R.V. Shah

R. V. SHAH
Proprietor
Membership No. 016097



For and on behalf of the Board

[Signature]
DIRECTORS

Place : Mumbai
Date : 31st May, 2010