



OSWAL
AGRO MILLS LIMITED

ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Shri Abhey Kumar Oswal - Chairman
Shri Anil Bhalla - Director
Shri Bhola Nath Gupta - Director
Shri Sunil Kumar Kulshrestha - Director

COMPANY SECRETARY

Shri R P Jolly

AUDITORS

T.R. Chadha & Company
Chartered Accountants
New Delhi

BANKERS

The Royal Bank of Scotland N.V.
HDFC Bank
STATE Bank of India
ICICI Bank Ltd.

REGISTERED OFFICE

Near Jain Colony, Vijay Inder Nagar,
Daba Road, Ludhiana - 141 003 (Punjab)
Phone No.: 0161-2544313

WORKS

Mandideep (Bhopal)

REGISTRARS & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153/A, First Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Ph: + 91 11 30857575
Fax: + 91 11 30857562

CONTENTS

Notice of the Meeting	1
Directors' Report	2
Report on Corporate Governance	4
Management Discussion and Analysis	8
Auditor's Report	9
Balance Sheet	11
Profit & Loss Account	12
Cash Flow Statement	13
Schedules I to XVIII	14
Balance Sheet Abstract/Statement Pursuant to Section 212 of the Companies Act,1956	25
Directors' Report, Auditors' Report and Financial Statements of Subsidiary Company	26
Auditors' Report on Consolidated Accounts	29
Consolidated Financial Statements	30

NOTICE OF THE MEETING

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on Friday, the 30th September, 2011 at 11.30 A.M. at the Registered Office of the Company at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana -141003 (Punjab), to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and Profit & Loss Account of the Company for the year ended on 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhey Kumar Oswal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s T.R. Chadha & Company, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For OSWAL AGRO MILLS LIMITED

Place: New Delhi
Date: 10.08.2011

R.P. Jolly
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September 2011 to 30th September 2011 (both days inclusive).
5. The Members are requested to:
 - (a) Take the advantage of dematerialization of shares as Company's scrip has been put under compulsory dematerialization. Shareholders are requested to get in touch with any Depository Participant for getting the shares dematerialized.
 - (b) Bring their copy of Annual Report at the Annual General Meeting.
6. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
7. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays up to the date of the Annual General Meeting.
8. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their client ID Number and their DP ID Number.
9. Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.

INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Brief Resume of the person to be appointed/re-appointed as Director:

1. SHRI ABHEY KUMAR OSWAL is a Director of the Company, appointed on the Board of the Company w.e.f.07.05.2004 and actively involved in all the affairs as well as in all business activities of the Company. He is an industrialist and having vast experience, administrative skill and valuable contribution in the growth of the Company. He is holding 53530960 shares in his name and his wife holds 2495000 shares in the Company. He is a Managing Director of Oswal Chemicals & Fertilizers Limited. He is also a trustee of Aruna Abhey Oswal Trust. He is a member of Share Transfer Committee, Investor Grievance Committee and Audit Committee in your Company.

By Order of the Board
For Oswal Agro Mills Limited

Place: New Delhi
Date: 10.08.2011

R. P. Jolly
Company Secretary

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measures, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to notify their e-mail id by writing letter and register the same with M/s Skyline Financial Services Pvt. Limited., Share Transfer Agent of the Company at their e-mail id i.e. admin@skylinerta.com

DIRECTORS' REPORT

To,
The Members,
Oswal Agro Mills Limited

Your Directors have pleasure in presenting the 31st Annual Report along with the Audited Statement of Accounts of the Company for the Financial Year Ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. in Lacs)	
	Current Year 31.03.2011	Previous Year 31.03.2010
Operating & other Income	1536	804
Profit/(Loss) before Depreciation & Provision for taxation	328	163
Less : Depreciation	12	12
: Provision for Tax	70	24
: FBT	-	2
: Deferred Tax	-	-
Profit/ (Loss) after Depreciation & Tax	246	125
Add: Balance brought forward from Previous year	(2434)	(2558)
Balance carried to Balance Sheet	(2188)	(2434)

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year under review, the Company achieved a gross income of Rs.1536 lacs and a Profit before Tax (PBT) of Rs.328 lacs as compared to gross income Rs.804 lacs and a Profit before Tax (PBT) of Rs. 163 lacs in the previous year.. During the year Company was mainly engaged in investment activities. On the real estate development business, the Company has entered into a joint development agreement for the development of its land at Chembur, Mumbai with Oswal Chemicals & Fertilizers Ltd. and has obtained necessary Government approvals. Real estate sector in India is growing at an annual 10% and there is not enough real estate to fulfill the requirement of housing which is required in Mumbai. This project will not only bring lot of prestige to the Company but will also be bringing substantial gains to the wealth of investors. The future outlook for the real estate sector looks encouraging.

DIVIDEND

With a view to conserve the resources for the business plans of the Company to develop real estate, the directors do not recommend any dividend for the year.

PUBLIC DEPOSITS

Your Company has not accepted any deposits with in the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

MATERIAL CHANGES

There are no material changes affecting the affairs of the Company since the date of Balance Sheet and up to the date of this Report.

AUDITORS' REPORT

The Auditors' report on audited accounts for the year 2010-2011 contains qualifications regarding non-accounting for the fluctuation in the exchange rate on interest free export advance received.

The Management is of the view that no reinstatement is required in view of the facts of the case.

AUDITORS

M/s T. R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 224(1B) of the Companies Act, 1956. M/s T. R. Chadha & Co., Chartered Accountants, are required to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Audit Committee has also recommended their appointment.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Abhey Kumar Oswal, Director of the Company will retire at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Your directors recommend his re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company.
- ii) that the directors have 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 the Company as at 31st March, 2011 and of the profit of the Company for the year ended 31st March, 2011.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the annual accounts have been prepared on going concern basis.

AUDIT COMMITTEE

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2011 and has not given any adverse observations. It has also recommended the re-appointment of M/s T.R. Chadha & Company, Chartered Accountants as statutory auditors of the Company.

CORPORATE GOVERNANCE

As per clause 49 of the listing agreement with Stock Exchange(s), Corporate Governance Report and Management Discussion & Analysis Reports are annexed as Annexure-I and Annexure-II.

PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration during the year in excess of limits prescribed u/s 217 (2A) of the Companies Act, 1956, and the relevant rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars of conservation of Energy and Technology absorption as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as the Company's plants were not in operation during the year. During the year under review, the foreign exchange earnings of the Company was NIL (Previous years -NIL) and foreign outgo of the Company was nil (Previous year nil)

SUBSIDIARY COMPANY

The Company has a wholly owned subsidiary company named 'Oswal Overseas Ltd.' in UAE for pursuing various international projects.

EMPLOYEE RELATIONS

The industrial relations continued to be cordial and harmonious. Your Directors wish to place on record the appreciation for the devoted services rendered by the workers, staff and executives of the Company at all levels who have contributed to the efficient and successful management of the Company.

Listing

Your Company's equity shares are listed on following Stock Exchange – National Stock Exchanges of India (NSE), Bombay Stock Exchange Ltd. (BSE), The Delhi Stock Exchange Ltd., The Calcutta Stock Exchange Association Ltd., The Ahmedabad Stock Exchange Ltd., The Ludhiana Stock Exchange Ltd., The U.P. Stock Exchange Association Ltd. and Madras Stock Exchange Ltd. As on date the shares of the Company are not traded in any of these Stock Exchanges because all these stock exchanges are not in operation / working. The company has complied with all the conditions of NSE and BSE respectively and has requested the exchanges to revoke the suspension order for the trading of the shares of the company at the earliest.

ACKNOWLEDGEMENT

Your directors take this opportunity to thank and deeply acknowledge the Co-operation, assistance and support extended by various Government Departments, Banks and Shareholders.

For and on behalf of the Board

Place : New Delhi
Date : 10.08.2011

ABHEY KUMAR OSWAL
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of standards which aim to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the company in a manner most beneficial to all the shareholders, the creditors, the Government and the society at large.

The cardinal principles of the Corporate Philosophy of Oswal Agro Mills Limited on the Corporate Governance can be summarized in the words –Transparency, Professionalism and Accountability with an ultimate aim of value creation.

The Company Philosophy envisages complete transparency and adequate disclosures with an ultimate aim of value creation for all players i.e. the Stakeholders, the Creditors, the Government and the Employees.

The status of implementation of clause 49 of the Listing Agreement with the Stock Exchange on the Corporate Governance in the company is as under:

2. BOARD OF DIRECTORS

a) Composition

At present there are 4 Directors on the Board of the Company and the composition of the Board is in consonance with clause 49 of the Listing Agreement. The Company has Non-Executive Chairman, Non-Executive Non-Independent Director and two Non-Executive Independent Directors. None of the directors on the Company's Board is a member of more than 10 committees and chairman of more than 5 committees across all the companies in which they are director. All the directors have made necessary disclosures regarding committee positions held by them in other companies. Further, none of the directors on the Board of the Company holds office of directorship in more than 15 companies. The required information as enumerated in Annexure 1A of Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at the Board meetings.

b) Category of Directors and Attendance of each Director at the Board Meetings and at the last Annual General Meeting

The Composition of the Board, attendance of each of the Directors at the Board Meeting held during the financial year ended 31st March, 2011 and at the last Annual General Meeting is as under:

Name of Director and their DIN No	Designation	Category	No of Meetings held	No of Board Meetings Attended	No of Directorship in other Companies	No of Membership in other Companies		Attendance at the Last AGM
						As Chairman	As Member	
Sh. Abhey Kumar Oswal 00589130	Chairman	Non-Executive Non-Independent	7	4	1	Nil	4	No
Sh. Anil Bhalla 00587533	Director	Non-Executive Non-Independent	7	7	2	Nil	4	No
Sh. Bholu Nath Gupta 00562338	Director	Non-Executive Independent	7	7	-	Nil	3	Yes
Sh. Sunil Kumar Kulshrestha 01070854	Director	Non-Executive Independent	7	5	3	Nil	1	No

c) Number of Board Meetings held and the dates of the Board Meetings

During the year under review seven Board meetings were held on 21/04/2010, 15/05/2010, 12/08/2010, 04/09/2010, 12/11/2010, 23/12/2010 and 09/02/2011. The maximum time gap between two consecutive Board meetings was not more than four calendar months.

d) Board's Procedures

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisitions of material nature of assets, mortgages, guarantees, donations etc. are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation feed back reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

COMMITTEES OF THE BOARD

Oswal Agro Mills Limited has the following Committees of its Directors for the compliance with various Corporate Governance requirements:

- 1) Audit Committee;
- 2) Investor Grievance Committee / Share Transfer Committee;

3. AUDIT COMMITTEE

(a) Terms of Reference

The term of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

(b) Composition, Names of Members and Chairman

The Audit Committee consists of 3 Non-Executive Directors viz. Shri Abhey Kumar Oswal, Shri Bhola Nath Gupta and Shri Sunil Kumar Kulshrestha and majority of the members of Audit Committee are independent directors.

All the members of the Audit Committee are highly knowledgeable in the Corporate, Finance, Accounts and Company Law matters. The Statutory Auditors are invited at the Audit Committee meetings of the Company whenever required by the Committee. The Company Secretary acts as the Secretary of the Committee.

(c) Meetings and attendance during the year

The Audit Committee met five times during the year on 15/05/2010, 12/08/2010, 04/09/2010, 12/11/2010 and 09/02/2011. The name of Members and their attendance at the Audit Committee Meeting is as under:

Members	Category	Meetings Held	Meetings Attended
Sh. Abhey Kumar Oswal	Non-Executive Non-Independent	5	3
Sh. Bhola Nath Gupta	Non-Executive Independent	5	5
Sh. Sunil Kumar Kulshrestha	Non-Executive Independent	5	5

4. REMUNERATION COMMITTEE

At present the Company has no whole time director and the Non-Executive directors are not paid any remuneration, as such, the Remuneration Committee has not been formed. The Board shall constitute Remuneration Committee as and when the need arises.

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

The terms of reference of the Shareholders/Investors' Grievance Committee is to look in to the redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and dematerialization of shares and other related matters.

(b) Composition and names of members

As on 31st March, 2011, the Shareholders/Investors' Grievance Committee consists of 3 Non-Executive Directors viz. Shri. Abhey Kumar Oswal, Shri Anil Bhalla and Shri Bhola Nath Gupta.

(c) Attendance during the year

The Shareholders/Investors Grievance Committee met twice during the year on 12/08/2010 and 09/02/2011. The names of Members and their attendance at the Committee meeting is as under:

Members	Category	Meetings Held	Meetings Attended
Sh. Abhey Kumar Oswal	Non-Executive Non-Independent	2	1
Sh. Anil Bhalla	Non-Executive Non-Independent	2	2
Sh. Bhola Nath Gupta	Non-Executive Independent	2	2

(d) Details of Complaints

The Company has received 23 complaints during the year ended 31.03.2011, out of which 22 complaints have been resolved till 31.03.2011 and 1 complaint was resolved in the month of April 2011.

6. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

S. No.	Financial Year	Location	Date	Time	Special Resolutions Passed
1.	2009-10	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	30.09.2010	11.30 A.M.	Nil
2.	2008-09	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana- 141 003 (Punjab)	30.09.2009	12.30 P.M.	Nil
3.	2007-08	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana- 141 003 (Punjab)	29.09.2008	11.30 A.M.	Nil

7. Neither any Extra-Ordinary General Meeting was held nor any resolution was passed through Postal Ballot during the year under review.

8. DISCLOSURES

- a) None of the transaction with any of related parties was in conflict with the interest of the Company. Attention of Members is drawn to the disclosure of transactions with the related parties set out in the Notes on Account Schedule, forming part of Annual Report.
- b) During the last three years the company has not made any non compliance, no penalties were levied, no structure imposed on the company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. However, the trading in shares of the Company was suspended by NSE and BSE.
- c) The Company has not adopted a Whistle Blower Policy. However, no person of the Company has been denied access to the Audit Committee.
- d) The Company has complied with all the Mandatory requirements of Clause 49 of the Listing Agreement with Stock Exchanges on Corporate Governance. As regards the Non-mandatory requirements, the Company will endeavor to implement them to the extent possible.
- e) The Company has complied with all applicable accounting standards except certain departure, which are explained in note no. 4 to notes to the Accounts -Schedule XVIII forming part of Balance Sheet.
- f) The Company has a Wholly Owned Subsidiary company named 'Oswal Overseas Ltd.' in UAE for pursuing various international projects.

9. CHAIRMAN'S CERTIFICATE

Since the company does not have a Whole time Director and CFO, the Chairman of the Company has furnished the requisite certificate to the Board of Directors under revised clause 49 of the Listing Agreement.

10. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis.

11. BRIEF RESUME OF DIRECTOR (S) TO BE APPOINTED/RE-APPOINTED

Details of the Director(s) seeking Appointment/Reappointment in the forthcoming Annual General Meeting pursuant to Clause -49 of the Listing Agreement, is given in the notes to the notice of the forthcoming Annual General Meeting.

12. MEANS OF COMMUNICATION

The Quarterly Financial Results of the Company are published in newspapers in terms of Clause 41 of the Listing Agreement. The quarterly financial results are generally published in Ajit (Punjabi Edition) and The Pioneer (English Edition). Company has also displays its quarterly/annual results on its website www.oswalagromills.com

13. General Shareholders Information

Annual General Meeting is propose to be held

Date	:	30 th September, 2011
Day	:	Friday
Venue	:	Near Jain Colony, Vijayinder Nagar, Daba Road, Ludhiana-141003 (Punjab)
Book Closure Date	:	24 th September, 2011 to 30 th September, 2011 (both days Inclusive)
Dividend Payment	:	The directors have not proposed any dividend for the financial year ended 31 st March, 2011

14. (a) FINANCIAL CALENDAR

Un-audited Financial Results	
For the quarter ended	Tentative Dates
30.06.2011	2nd Week of Aug, 2011
30.09.2011	2nd Week of Nov, 2011
31.12.2011	2nd Week of Feb, 2012
31.03.2012	2nd Week of May, 2012/4th Week of May 2012.
Next Annual General Meeting	Last week of September 2012

b) Listing at Stock Exchanges

The shares of the Company are listed on the following Stock Exchanges:

Stock Exchange	Scrip Code
National Stock Exchange of India Ltd.	Oswal Agro
Bombay Stock Exchange Ltd.	500317
The Delhi Stock Exchange Ltd.	00037
The U.P Stock Exchange Association Ltd.	Not Available
The Calcutta Stock Exchange Association Ltd.	Not Available
Madras Stock Exchange Ltd.	Oswal Agro
The Ludhiana Stock Exchange Ltd.	Not Available
The Ahmedabad Stock Exchange Ltd.	Not Available

The Annual Listing Fee for the year 2011-12 has been paid to The National Stock Exchange of India Limited and Bombay Stock Exchange Limited only, whereas the Listing Fees has not been paid of other Exchanges. In spite of our best efforts the Company's request for allowing the trading are still pending with the National Stock Exchange as well as Bombay Stock Exchange. Further the Company is hopeful that in due course of time the trading in share of the company will start with Bombay Stock Exchange. Further more the Company has been approaching with the Delhi Stock Exchange also in the matter of trading of its equity share with them because the Delhi Stock Exchange is also starting the trading in shares of all Listed Companies in due course of time.

c) Stock Market Price

Shares of the Company is not trading in any of the Stock Exchanges wherever this is listed, because except the National Stock Exchange of India Ltd., Bombay Stock Exchange are in operation/working as on date. whereas the shares of Company has been suspended for trading by NSE and BSE, therefore, market price data is not available for the financial year 2010-2011.

d) **Distribution of Shareholding as on 31.03.2011**

No. of Shares	No. of Shares Held	%	No. of Shareholders	%
1-500	27428139	20.43	227417	93.42
501-1000	7440313	5.54	10197	4.19
1001-2000	5074776	3.78	3624	1.49
2001-3000	2213831	1.65	897	0.37
3001-4000	1314789	0.98	380	0.15
4001-5000	1108408	0.83	242	0.10
5001-10000	2602281	1.94	366	0.15
10001 and above	87052239	64.85	311	0.13
TOTAL	134234776	100.00	243434	100.00

e) **SHAREHOLDING PATTERN AS ON 31.03.2011**

	Category	No. of Shares Held	% of Shareholding
A	Promoters and Associates	56033182	41.74
B	Banks, Financial Institutions and Mutual Funds	3687154	2.75
C	Indian Public	73188747	54.52
D	NRI/OCB/FII's	1325693	0.99
	TOTAL	134234776	100.00

f) **Registrar & Share Transfer Agent**

The Company has appointed M/s Skyline Financial Services Private Limited as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

M/s Skyline Financial Services Private Limited
D-153/A, First Floor, Okhla Industrial Area, Phase-I
New Delhi-110020
Ph: 011-30857575(10 Lines), Fax-011-30857562
E-mail: admin@skylinerta.com
Website: www.skylinerta.com

g) **Compliance Officer**

Shri R P Jolly
C/o M/s Oswal Agro Mills Limited,
7th Floor, Antriksh Bhawan,
22, Kasturba Gandhi Marg,
New Delhi-110001
E-mail: rpjolly@oswalfert.com

h) **Share Transfer System**

The Shares of the Company fall under the Category of compulsory demat form for all the investors. The Share Transfer requests received in physical form are registered within 30 days from the date of lodgment of shares and demat requests received from the Depository Participants are processed within 21 days from the date of receipt.

i) **Dematerialization of Shares**

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has listed its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). Company has been allotted ISIN No. INE 142A01012. As on 31.03.2011 total 98115896 numbers of Equity Shares (73.09 % of capital) have been dematerialized.

j) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity**

The Company has not issued any GDRs / ADRs / Warrants or any other Convertible Instruments.

k) **Details of public funding obtained in last three years**

The Company has not raised any Public funding in last three years.

l) **Plant Location**

Mandideep, Madhya Pradesh

m) **ADDRESS FOR CORRESPONDENCE**

M/s Oswal Agro Mills Ltd,
7th Floor, Antriksh Bhawan,
22, Kasturba Gandhi Marg, New Delhi - 110001
Telephone No(s) - 011-23715242, 011-23737340, Fax No- 011- 23716276

For and on behalf of Board
For OSWAL AGRO MILLS LIMITED

ABHEY KUMAR OSWAL
CHAIRMAN

Place: New Delhi
Date: 10.08.2011



DECLARATION UNDER CLAUSE 49-1 (D) OF THE LISTING AGREEMENT BY THE CHAIRMAN

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I Abhey Kumar Oswal, Chairman of Oswal Agro Mills Ltd, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the Financial Year ended on 31st March 2011.

Place: New Delhi
Date: 10.08.2011

ABHEY KUMAR OSWAL
CHAIRMAN

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT

To
The Members
Oswal Agro Mills Limited

I have reviewed the compliance of conditions of Corporate Governance by Oswal Agro Mills Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchanges in India. I have conducted my review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2011 and furnished to me for the purpose of the review and the information and explanations given to me by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My review was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my review and according to the information and explanations given to me, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges have been complied with in all respect by the Company except that the management has not given month wise stock market data as it was explained that Company's equity shares were not traded on any Stock Exchange during the period.

Place: Delhi
Date: 10.08.2011

Anil Kumar Nandwani
Company Secretary in practice
C. P. No. 3107

ANNEXURE - II

MANAGEMENT DISCUSSIONS AND ANALYSIS

OVERVIEW:

During the year Company was mainly engaged in investment activities. On the real estate development business, the Company has entered into a joint development agreement for the development of its land at Chembur, Mumbai with Oswal Chemicals & Fertilizers Ltd. and has obtained necessary Government approvals. Real estate sector in India is growing at an annual 10% and there is not enough real estate to fulfill the requirement of housing which is required in Mumbai. This project will not only bring lot of prestige to the Company but will also be bringing substantial gains to the wealth of investors. The future outlook for the real estate sector looks encouraging.

SEGMENTWISE PERFORMANCE:

During the year ended 31st March 2011 the company was operating under the business segments– Real Estate and Investing Activities. Details of segment wise revenue, results and capital employed are given in Schedule XVIII - Notes on Accounts forming part of the Annual Report.

The Company has a Wholly Owned Subsidiary company named 'Oswal Overseas Ltd.' in UAE for pursuing various international projects.

INDUSTRIAL RELATIONS:

The relation with employees remained cordial throughout the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has developed an internal control system and procedures to ensure efficient conduct of business and security of its assets. Management Information System has been developed through which performance and financial dealing are monitored on regular basis. The auditors review the effectiveness and adequacy of the internal control system by analyzing and testing controls and make recommendations to the management to improve controls wherever necessary. The Audit Committee/Board of Directors periodically reviews the internal audit reports and adequacy of internal controls.

RISKS & CONCERNS:

The company is exploring new business segments and is in the process of identifying projects. There are inherent risks involved in implementation of grass root projects and all such development risks will apply to the projects which may be taken up by the Company. The real estate development projects have also risks associated with it such as obtaining regulatory approval for operating the business, fluctuation in the value of real estate etc.

OPPORTUNITIES AND OUTLOOK:

The company is exploring the possibilities of undertaking some real estate projects, the outlook for which seems to be quite encouraging.

RISK MANAGEMENT:

The Board takes responsibility for the risk management in the organization. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day-to-day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit reports covering operational, financial and other business risk areas.

CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ from those either expressed or implied.

AUDITORS' REPORT

To the Shareholders of Oswal Agro Mills Limited.

1. We have audited the attached Balance Sheet of M/s Oswal Agro Mills Ltd. as at 31st March 2011, the annexed Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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. We have conducted our audit in accordance with 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with in this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the 'Act';
 - (e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement, together with the notes thereon and attached thereto, given in the prescribed manner, the information required by the 'Act' and *subject to our comments in paragraph 5 below*, give respectively, 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, 2011
 - (b) in the case of the Profit & 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.
- 5 *Non- translation of interest free export advance received (net) of USD 52,37,796.80 at the year end exchange rate and which is contrary to Accounting Standard 11 and further non- provision of interest accrued on the amount receivable Rs. 38,386.29 thousand due to the pending execution of Decree orders passed by the High Court on 09.05.1989, as stated in Note No. 3 in Schedule XVIII.*

For T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

(Surender Kumar)
Partner
M. No. 82982

Date: 28th May, 2011
Place: New Delhi

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date]

- i)
 - a) The Company has maintained proper records *other than for closed divisions and furniture & fixtures* to show full particulars including quantitative details and situation of its fixed assets.
 - b) According to explanations given to us all the fixed assets *other than for closed divisions and furniture & fixtures* have been physically verified by the management at the year end, which in our opinion is considered reasonable having regard to the size of the company and nature of its business. No material discrepancy noticed on such verification as compared to book records.
 - c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the Company during the year.
- ii)
 - a) The company is not carrying any inventory as on 31st March 2011 except land converted into inventory during the year and shares held for trading. The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory the discrepancies noticed on physical verification of inventory as compared to book records were not material.

- iii) a) The Company has granted unsecured loan amounting to Rs. 14,716.41 thousand (Maximum Balance Outstanding Rs. 29,516.29 thousand) during the year to one company covered in the register maintained under Section 301 of the Act.
- b) The rate of interest and other terms and conditions of loan given is not prime facie prejudicial to the interest of the company.
- c) In respect of aforesaid loan, the party is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.
- d) In respect of aforesaid loan, there is no overdue amount more than Rs. one lac.
- e) The Company has taken unsecured loan amounting to Rs 39,067.46 thousand (Maximum Balance Outstanding Rs. 25,308.35 thousand) during the year from one company covered in the register maintained under Section 301 of the Act.
- f) The rate of interest and other terms and conditions of loan taken is not prime facie prejudicial to the interest of the company.
- g) In respect of aforesaid loan, the company is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.
- iv) In our opinion and according to the information and explanations given to us, in general, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Act, have been so entered and there are no transactions made in pursuance of contracts or arrangement entered into the register in pursuance of Section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Rules framed there under.
- vii) In our opinion, the Company's present internal audit system is *generally* commensurate with its size and nature of its business.
- viii) The company is not engaged in any manufacturing or other activity requiring maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is *generally* regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, customs duty, service tax, excise duty and other material statutory dues as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax, income-tax, customs duty, service tax, wealth tax, excise duty and cess as at March 31, 2011 *which have not been deposited on account of a dispute, are as follows -*

Name of Statute	Nature of Dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where the Dispute is pending
Central Excise Act 1944	Excise Duty	36,434.03	1,991 to 1993	Pending Before CESTAT Mumbai
UP Sales Tax	Sales Tax	1,109.96	1,993 to 1996	High Court Allahabad

- x) The accumulated losses of the company as at March 31, 2011 are not more than 50% of its net worth. The company has neither incurred cash losses during the financial year ended on the date nor in immediate preceding year.
- xi) According to the information and explanation given to us the company has not defaulted in repayment of dues to the banks. The company does not have any loan from any financial institution and has not issued any debentures.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is trading in shares, securities and other investments. The company is maintaining separate records of the transactions and contracts and making timely entries therein. These shares and other securities are held by the company in its own name.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi) As per information and explanations given to us the Company has not obtained any term loans during the year.
- xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debenture during the year and accordingly, no securities have been created.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

(Surender Kumar)
Partner
M. No. 82982

Date: 28th May, 2011
Place: New Delhi

BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. in thousand)

Particulars	Schedule No.	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	1,342,347.76	1,342,347.76
Reserves & Surplus	II	4,566,569.43	4,588,882.64
		<u>5,908,917.19</u>	<u>5,931,230.40</u>
Deffered Tax Liability (Net)	III	-	-
Total		<u>5,908,917.19</u>	<u>5,931,230.40</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	IV	87,496.53	273,696.23
Less: Depreciation		29,221.67	28,752.79
Net Block		<u>58,274.86</u>	<u>244,943.44</u>
Capital Work in Progress		<u>11,689.27</u>	-
Investments	V	<u>2,862,762.94</u>	<u>1,509,902.13</u>
Current Assets, Loans & Advances			
-Inventories	VI	642,345.20	458,850.00
-Sundry Debtors	VII	-	132,647.91
-Cash & Bank Balances	VIII	1,042,901.72	22,398.97
-Loans & Advances	IX	1,660,628.06	4,222,828.84
		<u>3,345,874.98</u>	<u>4,836,725.72</u>
Less:Current Liabilities & Provisions			
Current Liabilities	X	368,979.05	706,263.09
Provisions	XI	705.81	961.68
		<u>369,684.86</u>	<u>707,224.77</u>
Net Current Assets		2,976,190.12	4,129,500.95
Profit & Loss Account		218,789.30	243,359.97
Less: General Reserve		<u>218,789.30</u>	<u>196,476.09</u>
Total		<u>5,908,917.19</u>	<u>5,931,230.40</u>
Significant Accounting Policies and Notes to the Accounts	XVIII		

This is the Balance Sheet referred to in our report of even date

The Schedules referred to above form an integral part of the Balance Sheet

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R.Chadha & Co.

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

(Firm Registration No. 006711N)
Chartered Accountants

Place : New Delhi
Date : 28th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in thousand)

Particulars	Schedule No.	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
INCOME			
Sales & Other Business Income	XII	23,287.46	74,260.68
Other Income	XIII	130,345.80	6,116.71
Total		153,633.26	80,377.39
EXPENDITURE			
Employees' Cost	XIV	5,031.26	2,784.87
Finance Expenses	XV	977.76	1,780.52
Depreciation	IV	1,198.22	1,192.02
Other Expenses	XVI	40,970.14	58,821.42
Total		48,177.38	64,578.83
Profit/(Loss) Before Prior Period Adjustments and Taxation		105,455.88	15,798.56
Prior Period Adjustments (Net)	XVII	59.40	769.03
Profit/(Loss) Before Taxation and Extraordinary Items		105,396.48	15,029.53
Current Tax		7,000.00	2,364.00
Fringe Benefits Tax For Previous Year		-	206.06
Profit After Taxation Before Extraordinary Items		98,396.48	12,459.47
Extraordinary Item -Foreign Exchange Fluctuation (Net of Tax Rs. Nil Thousand)		73,825.81	-
Profit after Taxation and Extraordinary Items		24,570.67	12,459.47
Loss Brought Forward From Previous Year		(243,359.97)	(255,819.44)
Balance Carried Over to Balance Sheet		(218,789.30)	(243,359.97)
Earning Per Share (Nominal Value of Rs.10 Each)			
Basic / Diluted (Note 13 on Schedule XVIII)			
- On Profit Before Extraordinary Item		0.73	0.09
- On Profit After Extraordinary Item		0.18	0.09
Significant Accounting Policies and Notes to the Accounts	XVIII		

This is the Profit & Loss Account referred to in our report of even date

The Schedules referred to above form an integral part of the Profit & Loss Account

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R.Chadha & Co.

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

(Firm Registration No. 006711N)
Chartered Accountants

Place : New Delhi
Date : 28th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in thousand)

	Year Ended March 31, 2011	Year Ended March 31, 2010
A. Cash flow from operating activities:		
Net Profit / (Loss) before tax and extraordinary item	105,396.48	15,029.53
Adjustments for :		
Depreciation	1,198.22	1,192.02
Loss/(Profit) on sale of rights of leasehold land	(51,701.41)	-
Interest	977.76	1,780.52
Balance written off	51.03	-
Interest Received	(2,376.56)	(5,996.63)
Excess Provision Written Back	(76,144.74)	-
Prior Period Expenses/(Income) (Net)	59.40	769.03
Provision for Wealth Tax	225.08	218.20
Operating profit before working capital changes	(22,314.74)	12,992.67
Adjustments for changes in working capital :		
- (Increase)/Decrease in Inventories	-	11,691.90
- (Increase)/Decrease in Sundry Debtors	132,647.91	43,373.00
- (Increase)/Decrease in Other Receivables	2,556,054.16	(739,264.85)
- Increase/(Decrease) in Trade and Other Payables	(261,402.06)	513,889.06
- (Increase)/Decrease in Net Current Assets		
	2,427,300.01	(170,310.89)
Cash generated from operations	2,404,985.27	(157,318.22)
- Prior Period (Expenses)/Income (Net)	(59.40)	(769.03)
- Wealth Tax Paid	(218.20)	(239.21)
- Taxes (Payment) / Refund	(904.41)	21,448.84
Net cash from operating activities before extraordinary items	2,403,803.26	(136,877.62)
Extraordinary item	(73,825.81)	
Net cash from operating activities after extraordinary items	2,329,977.45	(136,877.62)
B. Cash flow from Investing activities:		
Purchase of Fixed Assets	(13,012.70)	(642.08)
Sale of Fixed Assets	55,000.00	-
Interest Received	2,376.56	5,996.63
(Purchase)/Sale of investments (Net)	(1,352,860.81)	(267,082.73)
Net cash used in/from investing activities (Net)	(1,308,496.95)	(261,728.18)
C. Cash flow from financing activities:		
Proceeds (Repayments) from short term borrowings	-	(614,809.17)
Interest Paid	(977.76)	(1,780.52)
Net cash used in financing activities	(977.76)	(616,589.69)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,020,502.74	(1,015,195.49)
Cash and cash equivalents at the beginning of the year	22,398.97	1,037,594.46
Cash and cash equivalents at the close of the year	1,042,901.71	22,398.97

Notes

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Cash and cash equivalents include Fixed Deposits etc. for Rs. 42,867.01 thousands (Previous Year Rs. 21,663.90 thousands) pledged as security with/against Govt. Departments/loan.
- Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

This is the Cash Flow referred to in our report of even date.

Notes to accounts(Schedule XVIII) form an integral part of Cash Flow Statement

For and on behalf of the Board

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R.Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 28th May, 2011

SCHEDULES TO ACCOUNTS

(Rs. in thousand)

SCHEDULE - 1	As At 31.03.2011	As At 31.03.2010
SHARE CAPITAL		
AUTHORISED:		
300,000,000(Previous Year 300,000,000) Equity Shares of Rs. 10/- each	3,000,000.00	3,000,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of Rs. 100/- each	1,000,000.00	1,000,000.00
	4,000,000.00	4,000,000.00
ISSUED SUBSCRIBED & PAID UP:		
134,234,776 (Previous Year 134,234,776) Equity Shares of Rs.10/- each fully paid up (Out of these 125,616 Equity Shares were allotted as Fully Paid up pursuant to a contract without payment being received in cash and 6,183,162 shares were allotted as Fully Paid Up Bonus Shares by Capitalisation of Share Premium)	1,342,347.76	1,342,347.76
Total	1,342,347.76	1,342,347.76

SCHEDULE - II

RESERVES & SURPLUS

Share Premium	4,464,882.64	4,464,882.64
Capital Reserve	1,500.00	1,500.00
Investment Allowance Reserve		
Opening Balance	122,500.00	122,500.00
Less:Transferred To General Reserve	122,500.00	-
		122,500.00
General Reserve		
Opening Balance	196,476.09	196,476.09
Add: Transferred From Investment Allowance Reserve	122,500.00	-
Less: Profit And Loss Account (Debit Balance)	218,789.30	196,476.09
	100,186.79	-
Total	4,566,569.43	4,588,882.64

SCHEDULE - III

DEFERRED TAX LIABILITY

Fixed Assets

Opening Balance	9,025.06	9,141.20
For the Year	26.44	(116.14)
Closing Balance	9,051.50	9,025.06
Disallowance U/S 43 B and Gratuity		
Opening Balance	252.71	619.34
For the Year	(93.02)	(366.63)
Closing Balance	159.69	252.71
Losses Carried Forward		
Opening Balance	8,772.35	8,521.86
For the Year	119.46	250.49
Closing Balance	8,891.81	8,772.35
Total	-	-

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - IV

FIXED ASSETS

Particulars	Gross Block			As At 31.03.2011	Depreciation			Net Block		
	As At 01.04.2010	Additions During the Year	Sale/Adju- stment During the Year		Upto 01.04.2010	For the Year	Written Back/ Adjustment During the Year	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
Land										
-Leasehold	7,553.47	-	4,027.93	3,525.54	1,373.20	40.61	729.34	684.47	2,841.07	6,180.27
-Freehold	194,852.00	-	183,495.20	11,356.80	-	-	-	-	11,356.80	194,852.00
Buildings										
-Freehold	63,128.22	-	-	63,128.22	20,035.74	1,051.45	-	21,087.19	42,041.03	43,092.48
Plant & Machinery	1,488.05	-	-	1,488.05	680.42	70.68	-	751.10	736.95	807.63
Furniture & Fixture	4,319.65	-	-	4,319.65	4,318.00	0.48	-	4,318.48	1.17	1.65
Vehicles	2,354.84	1,323.43	-	3,678.27	2,345.43	35.00	-	2,380.43	1,297.84	9.41
Total	273,696.23	1,323.43	187,523.13	87,496.53	28,752.79	1,198.22	729.34	29,221.67	58,274.86	244,943.44
Previous year	273,054.15	642.08	-	273,696.23	27,560.77	1,192.02	-	28,752.79	244,943.44	245,493.38

SCHEDULE - V

As At 31.03.2011

As At 31.03.2010

INVESTMENTS (AT COST)

A. Long Term Investments

(i) Government Securities (Unquoted)

Post Office Time Deposit

(Pledged with Government Departments as security deposits)

134.10

134.10

(ii) Equity Shares

a) Associate Company

-Quoted (Non Trade)

Equity Share (Fully Paid Up) 91,384,203 (Previous Year 29,323,004) of Oswal Chemicals & Fertilizers Ltd

2,375,808.28

933,552.44

b) Other Companies

-(Unquoted, Non Trade)

12,036,500(Previous Year 12,036,500) Equity Shares of Rs 10/- each of P C Media Systems Ltd

290,419.31

290,419.31

One Equity Share (Previous Year One) of Urmi Group Housing Society Ltd of Rs 250 each

0.25

0.25

100,000(Previous Year 100,000) Equity Shares of Rs 10/-each of Sohanaa International Pvt Ltd

5,000.00

5,000.00

4,000(Previous Year 4,000) Equity Shares of Rs 1000/-each (Superior Portfolio (P) Ltd

15,000.00

15,000.00

17,440 (Previous Year 17,440) Equity Shares of AED 100/-each of Oswal Overseas Limited (Wholly Owned Subsidiary)

21,401.00

21,401.00

(iii) Debentures*

55,000 (Previous Year Nil) 0% Optionally Convertible Debenture of Rs. 1,000 each of Freedom Technobuild Private Ltd

55,000.00

-

10,000,000 (Previous Year Nil) 0% Optionally Convertible Debenture of Rs. 10 each of Infotel Business Solutions Ltd

100,000.00

-

B. Current Investments

i) Mutual Funds

Nil Units (Previous Year 16,848,207) of LIC Mutual Fund Savings Plus Fund

-

244,395.03

Total

2,862,762.94

1,509,902.13

Aggregate Book Value of:

Quoted Investments

2,375,808.28

933,552.44

Unquoted Investments

486,954.66

576,349.69

*redeemable at 31.12.2025

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - VI	As At 31.03.2011	As At 31.03.2010
INVENTORIES		
Land*	183,495.20	-
Stock in Trade (Equity Shares)	458,850.00	458,850.00
Total	642,345.20	458,850.00

*converted from fixed assets

SCHEDULE - VII

SUNDRY DEBTORS (Unsecured Considered Good)		
Over Six Months	-	132,647.91
Total	-	132,647.91

SCHEDULE - VIII

CASH & BANK BALANCES		
Cash & Cheques in Hand (Including Postage Imprest)	18,002.38	2.38
Balances with Scheduled Banks :		
-Current Accounts	982,032.33	732.69
-Fixed Deposits *	42,853.51	21,650.40
Balance with Post Office In Saving Account (Pass Book lodged with the Government Departments as Security Deposit)	13.50	13.50
Total	1,042,901.72	22,398.97

*Fixed Deposits are pledged as security with/against Govt. Departments/loan/bank guarantee.

SCHEDULE - IX

LOANS & ADVANCES (Unsecured and Considered Good Unless Otherwise Stated)		
Advances Recoverable in Cash or in kind or for value to be Received (Includes Share Application Money of Rs. 11,207.65 Thousand (Previous Year Rs. 967,660.96) given to Subsidiary Company)	1,597,502.66	4,155,099.05
Interest Accrued but not due on Deposits	3,123.96	1,780.28
Balance with Central Excise Etc.	23,634.07	23,634.07
Security Deposits	16,623.06	16,448.06
Advance Fringe Benefit Tax	-	27.48
Advance Income Tax (Net of provision RS 9,364 thousand (Previous year Rs. 9268.75 thousand))	19,744.31	25,839.90
Total	1,660,628.06	4,222,828.84

SCHEDULE - X

CURRENT LIABILITIES		
Sundry Creditors	89,114.67	163,969.39
Advances from Customers	250,000.00	509,800.00
Other Liabilities	29,864.38	32,493.70
Total	368,979.05	706,263.09

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - XI	As At 31.03.2011	As At 31.03.2010
PROVISIONS		
Gratuity	462.84	698.55
Leave with Wages	17.89	44.93
Wealth Tax	225.08	218.20
Total	705.81	961.68
SCHEDULE - XII	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
SALES & OTHER BUSINESS INCOME		
Interest Received (TDS Rs. 42.76 Thousand, Previous Year Rs. 10,734.57 Thousand)	427.58	67,155.68
Interest Received on ICD (TDS Rs. 625.00 Thousand, Previous Year Rs. Nil)	6,250.00	-
Profit/(Loss) on Trading of Share/ Mutual Fund	16,609.88	7,105.00
Total	23,287.46	74,260.68
SCHEDULE - XIII		
OTHER INCOME		
Misc Income	3.09	0.08
Rent Received	120.00	120.00
Interest Received (TDS Rs. 236.65 Thousand, Previous Year Rs. 200.18 Thousand)	2,376.56	5,996.63
Profit on Sale of Rights of Leasehold Land	51,701.41	-
Excess Provision Written Back	76,144.74	-
Total	130,345.80	6,116.71
SCHEDULE - XIV		
EMPLOYEES' COST		
Salaries Wages Bonus and other Allowances	4,674.58	2,608.66
Contribution to Provident Fund & Employees State Insurance	328.11	138.91
Welfare Expenses	28.57	37.30
Total	5,031.26	2,784.87
SCHEDULE - XV		
FINANCE EXPENSES		
Interest	955.90	1,766.11
Bank Charges	21.86	14.41
Total	977.76	1,780.52
SCHEDULE - XVI		
ADMINISTRATION EXPENSES		
Rent	18,791.16	17,659.86
Rates & Taxes	2,075.13	10,849.71
Printing & Stationery	1,360.77	1,309.07
Postage & Telegram	1,818.09	1,798.79
General Maintenance & Security Charges	1,414.87	1,268.04
Repairs & Maintenance		
- Building	41.01	2,979.28
- Others	221.57	28.97
Consultation Fees	8,164.88	6,983.72
Inventories Written Off	-	11,691.90
Sundry Balances Written Off	51.03	-
Other Expenses	7,031.63	4,252.08
Total	40,970.14	58,821.42

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - XVII	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
PRIOR PERIOD ADJUSTMENTS (NET)		
Income		
Repairs & Maintenance - Building	-	100.00
Expenses	-	100.00
Consultation Fees	-	85.80
Other General Expenses	59.40	783.23
	59.40	869.03
Total	59.40	769.03

SCHEDULE - XVIII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

i) Accounting Convention:

The financial statements are prepared under historical cost convention on accrual basis in accordance with the mandatory accounting standards read with notes and relevant presentational requirements of the Companies Act, 1956.

ii) Investments:

Long term investments are stated at cost less provision, if any, for diminution in value of such investments other than temporary. Current investments are stated at lower of cost and fair value.

iii) Fixed Assets:

- a) Fixed assets are shown at cost less accumulated depreciation.
- b) Depreciation on fixed assets is provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.
- c) No depreciation is provided on fixed assets held for disposal and shown under current assets at estimated realizable value.

iv) Inventories:

Inventories are valued at cost or net realizable value whichever is lower. The cost is determined on FIFO basis.

v) Interest:

Interest on securities (other than fixed deposits with banks) pledged/deposited with the Government Departments is accounted for on cash basis.

vi) Recognition of Income & Expenditure:

- a) Brokerage, Service Tax, Education Cess and Securities Transaction Tax to the extent not available as rebate under Income Tax Act, 1961 on purchase/sale of shares and other securities are charged directly to Profit & Loss Account.
- b) Provision for loss in respect of Open Equity Derivative Instruments as at the Balance Sheet date is made Index-wise/Script-wise. As a matter of prudence, any anticipated profit is ignored

vii) Provision:

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made.

viii) Contingent Liabilities:

Contingent liabilities not provided for in the accounts are separately disclosed in the "Notes to Accounts".

ix) Employee Benefits:

i. Long Term Employee Benefits

a) Defined Contribution Plans

The company's contribution to defined contribution plans is charged to Profit & Loss Account as incurred.

b) Defined Benefit Plans

Defined benefit plan is provided on the basis of valuation as at the balance sheet date carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method

c) Other Long Term Employee Benefits

Other long term benefit is provided on the basis of valuation as at the date carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

SCHEDULES (Contd...)

- ii. Actuarial gains and losses comprise experience adjustments and the effects of the changes in actuarial assumptions are recognised immediately in the Profit & Loss Account as income or expense
- iii. Employee benefits which fall due wholly within twelve months after the end of the period in which the employees render the related service are recognised at the amount expected to be paid for it.

x) Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Liability / receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains / losses thereon are taken to the Profit & Loss Account.

xi) Earnings Per Share:

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xii) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Notes to accounts

1. Contingent Liabilities

Particulars	(Rs. in thousand)	
	As at 31.03.2011	As at 31.03.2010
Claims against the company not acknowledged as debt.	64,143.42	64,143.42
2. The leasehold land includes cost of Nil acres (previous year 150 acres) of land valuing Rs.Nil (previous year Rs 3,300.10 thousand) acquired by the Company at Shahjahanpur (U.P.). The cost of this land represents payment of premium, development charges and stamp duty for execution of lease deed paid by the Company. The case regarding additional compensation is pending in the Court. Therefore, the additional compensation, if any, shall be accounted for as and when the case is decided.		
3. During 1983 the Company had received interest free advance of USD 6 millions from M/s Indo Europe Food Limited, London as against export contract of USD 60 millions. The above advance received by the company is secured against Bank Guarantee for USD 6 millions and in lieu whereof the bank holds first charge over the movable, immovable, present and future assets of the Soyabean Processing Unit at Mandideep (M.P.) and has counter guarantee by the Chairman of the Company. The Company has further given a FDR of Rs. 24,111.06 thousand (Previous Year Rs. 21,441.27 thousand) under Bank's lien as margin for Bank Guarantee. As per accounting policy of the Company, no effect has been given in the accounts to the fluctuation in the exchange rate on the above amount of advance, which were reflected on the exchange rate prevalent on the date of receipt of advance. As such the fluctuation, if any, will be accounted for as and when the matter is finalized.		
In addition to the above export contract, the Company had also made exports of goods valuing Rs.30,936.11 thousand to M/s Indo Europe Food Limited, London for which export bills remain outstanding. As against outstanding export bills, the Company obtained a Decree dated 9th May 1989 from the Hon'ble Delhi High Court for an amount of Rs.38,386.29 thousand along with interest @ 12% p.a. from the date of Decree till the date of realization. In view of the above, Decree remains pending for execution, no provision for interest has been made in the Books of Accounts, which shall be accounted for in the year of realization. However, the Company has provisionally adjusted the over due export bills against the above referred advance received from M/s Indo Europe Food Limited.		
4. In the opinion of the management, all current assets and loan & advances as on 31 st March, 2011 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.		
5. The figure of Other Expenses (Schedule – XVI) includes the provision made for Auditors Remuneration on the following account		

(Rs. in thousand)

Particulars	Current Year	Previous Year
Audit Fee*	650.00	660.00
Company Law Matters	-	150.00
Taxation	-	7.00
Certification work	90.63	20.00
Out of pocket expenses (including service tax)**	97.99	86.18

*includes Rs. Nil (Previous Year Rs. 10.00 thousand) for prior period

** includes Rs. Nil (Previous Year Rs. 1.00 thousand) for prior period

- 6. Employee Cost (Schedule XIV) and Other Expenses (Schedule XVI) includes Rs 4,048.48 thousand (Previous Year Rs. 3,701.28 thousand) being apportioned expenses incurred by a group company on behalf of the Group.
- 7. The Company has not charged any interest on loans given to certain enterprises aggregating to Rs. 425,773.99 thousand outstanding as on 31st March, 2011 in terms of an arbitration award, which was mutually accepted by the borrowers and the company. The terms of repayment have been extended to 31st March, 2012 by way of an understanding between borrowers and the company.

SCHEDULES (Contd...)

8. Disclosures pursuant to clause 32 of the listing agreement

Loans and advances in the nature of Loans given to company in which the directors are interested

(Rs. in thousand)

Name of the Company	Balance as at 31.03.2011	Balance as at 31.03.2010	Maximum Balance during the year 2010-11	Maximum Balance during the year 2009-10
Oswal Chemicals & Fertilizers Ltd	12,829.66	29,516.29	29,516.29	45,924.58

9. Market value of Equity Shares of Oswal Chemicals & Fertilizers Ltd as at 31st March, 2011 was Rs. 5,327,699.03 thousand (Previous Year Rs. 477,964.97 thousand).

10. No provision is required for investment made in the subsidiary company, since the management is of the view that the company will make sufficient profit in coming years and the said subsidiary will continue as a going concern.

11. Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are given as below:-

Particulars	Denomination	Foreign Currency	Amount in books (Rs. in thousand)
Other Liabilities	USD	5,237,796.80 (5,237,796.80)	59,085.56 (59,085.56)
Loan & Advance	AED	862,450 (74,321,131)	11,207.65 (967,660.96)
Investment	AED	1,744,000 (1,744,000)	21,401.00 (21,401.00)

Previous year figures are given in bracket

12. Based on the information available with the Company, there are no dues as at March 31, 2011 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

13. Earnings Per Share (EPS) – Numerators and Denominators used to calculate basic and diluted earning per share

Particulars	Current Year	Previous Year
Profit/(Loss) before extraordinary item attributable to equity shareholders (A) (Rs. in thousand)	98,396.48	12,459.47
Profit/(Loss) after extraordinary item attributable to equity shareholders (B) (Rs. in thousand)	24,570.67	12,459.47
Basic/Diluted Weighted Average of equity shares outstanding during the year (C)	134,234,776	134,234,776
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic/Diluted earnings per share excluding extraordinary item (Rs.) (A)/(C)	0.73	0.09
Basic/Diluted earnings per share including extraordinary item (Rs.) (B)/(C)	0.18	0.09

14. Related Party Disclosures

Related parties and transactions with them as identified by the management are given below:

- Enterprises over which major shareholders, key management personnel and their relatives have significant influence-
 - Oswal Chemicals & Fertilizers Ltd*
 - Lucky Star Entertainment Ltd
 - Aruna Abhey Oswal Trust
 - Sohanaa International Pvt Ltd.
- Key Management Personnel and their relatives:
 - Mr. Abhey Kumar Oswal, Mr. Anil Bhalla, Mr. Shael Oswal
- Enterprises controlled by the Company
 - Oswal Overseas Ltd, Dubai, UAE (wholly owned subsidiary company)
 - Oswal Brasil Refinara De Petroleo, Brazil (Step down subsidiary)

SCHEDULES (Contd...)

Details of transactions with the related parties in the ordinary course of business:

(Rs. in thousand)

Particulars	Nature of Payment	Current Year	Previous Year
1. Enterprises over which major shareholders and key Management Personnel have significant influence			
Lucky Star Entertainment Limited	Payments made by the company on behalf of the enterprise	-	17.55
	Balances outstanding at year end:		
	- Receivable	91,129.79	121,129.79
Oswal Chemicals & Fertilizers Limited (Associate)	Rent Received	120.00	120.00
	Payments made by Enterprise on behalf of the company	-	1,269.40
	Interest Paid (Net)	-	1.20
	Interest Received (Net)	1.44	-
	Their share of common expenses transferred from the enterprise	4,048.48	3,701.28
	Advance received by the Company	430,000.00	1,523,800.00
	Advance given by the Company	190,700.00	-
	Loan Given	14716.41	52,676.02
	Loan taken	39,067.46	30,952.42
	Transfer of Machinery and other expenses by the company to the enterprise.	106,168.25	-
	Balances outstanding at year end:		
	- Receivable (Loan)	12,829.66	29,516.29
	- Receivable (Advance)	190,700.00	-
	- Receivable against transfer of machinery and other expenses	106,168.25	-
	- Payable (Advance received)	-	509,800.00
	- Investment	2,375,808.28	933,552.44
2. Enterprises under the control of the Company			
	Balances outstanding at year end:		
Oswal Overseas Limited, Dubai (Subsidiary)	- Share Application Money Given (Net)	11,207.65	967,660.96
	- Investments Outstanding	21,401.00	21,401.00

*Oswal Chemicals & Fertilizers Ltd becomes an associate of the company w.e.f. 22.10.2010.

SCHEDULES (Contd...)

15. Segment Reporting

The business segment is the primary segment of the Company consisting of -

- a) Investing Activities
- b) Real Estate

(Rs. in Thousand)

Sl. No.	Particulars	Current Year	Previous Year
1	Segment Revenue		
	Investment Activities	23,287.46	74,260.68
	Real Estate	-	-
	Others	130,345.80	6,116.71
	Total Segment Revenue	153,633.26	80,377.39
2	Segment Result		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	18,062.99	70,612.14
	Real Estate	(19,105.95)	(17,127.20)
	Others	107,417.20	(36,674.89)
	Less : Interest & Finance Charges	977.76	1,780.52
	Profit before Taxation	105,396.48	15,029.53
	Less : Provision for Current Tax	7,000.00	2,364.00
	Less : Fringe Benefit Tax for Earlier Year	-	206.06
	Profit from Ordinary Activities after Tax	98,396.48	12,459.47
	<i>Extra Ordinary Item (Net of Tax)</i>		
	Foreign Exchange Fluctuation Loss	73,825.81	-
	Net Profit / (Loss) before share of Profit from Associate	24,570.67	12,459.47
3	Segment Assets		
	Investment Activities	4,991,408.80	3,592,457.84
	Real Estate	1,113,485.59	2,497,883.98
	Others	173,707.67	501,229.47
	Total Assets	6,278,602.06	6,591,571.29
	Segment Liabilities		
	Investment Activities	-	-
	Real Estate	250,480.90	509,800.00
	Others	119,203.96	197,424.77
	Total Liabilities	369,684.86	707,224.77
	Assets Acquired		
	Others	13,012.72	642.08
	Total Assets	13,012.72	642.08

16. Employee Benefits

The Company has classified various employee benefits as under:

a) Defined Contribution Plans

The company has recognized the following amounts in the Profit and Loss Account for the year:

Employees Provident Fund including family pension fund Rs.290.90 thousand (Previous Year Rs. 120.88 thousand)

SCHEDULES (Contd...)

b) Defined Benefit Plans

- i. Valuation in respect of gratuity has been carried out by independent actuary, as at the Balance date, based on the following assumption:

Particulars	Gratuity (Unfunded) 31.03.11	Gratuity (Unfunded) 31.03.10
Discounting Rate	8.00%	7.50%
Future Salary Increase	5.50%	5.00%
Expected Rate of return on plan assets	NA	NA
Expected Average remaining working lives of employees in number of years	0.90	4.28

- ii. The amounts recognized in the balance sheet are as follows:

(Rs. in thousand)

Particulars	Gratuity (Unfunded) 31.03.11	Gratuity (Unfunded) 31.03.10
Present value of obligation	462.84	698.55
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet	(462.84)	(698.55)

- iii. Changes in the present value of obligation representing reconciliation or opening and closing balances thereof are as follows:

Particulars	Gratuity (Unfunded) 31.03.11	Gratuity (Unfunded) 31.03.10
Present value of obligation as at the beginning of the year	698.55	655.95
Interest cost	55.88	49.20
Current service cost	18.76	30.18
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	(310.35)	(36.78)
Present value of obligation as at the end of year	462.84	698.55

- iv. The amounts recognized in the Profit & Loss Account is as follows:

Particulars	Gratuity (Unfunded) 31.03.11	Gratuity (Unfunded) 31.03.10
Current service cost	18.76	30.18
Interest cost	55.88	49.20
Net actuarial (gain)/ loss recognized in the year	(310.35)	(36.78)
Amount apportioned from a group company	50.61	58.88
Expenses recognized in the statement of profit & loss account	(185.10)	101.48

The Company expects to contribute Rs. 34.86 thousand during the next year.

SCHEDULES (Contd...)

17. Particulars of Share/Mutual Funds/Bonds

Particulars	Current Year		Previous Year	
	Quantity (Nos)	Value (Rs. in thousand)	Quantity (Nos)	Value (Rs. in thousand)
Opening	16,848,207	244,395.03	-	-
Purchase	129,476,201	2,204,599.15	46,033,613	724,695.03
Sales	146,324,408	2,465,604.06	29,185,406	487,405.00
Closing	-	-	16,848,207	244,395.03

18. The corresponding figures of the previous year have been regrouped/ reclassified, wherever necessary

Signatures to schedules I to XVIII of accounts

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 28th May, 2011

OSWAL OVERSEAS LIMITED

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2011.

1. OPERATIONS & FUTURE OUTLOOK

The company is a wholly owned subsidiary of Oswal Agro Mills Ltd. The company is looking for a good business opportunity in the International market. During the year company explored various possibilities of acquiring natural resources and looked at global opportunities in the field of mining, power and fertilizers.

2. DIRECTORS

The Directors of the Company in office at the date of this report are:

Mr. Abhey Kumar Oswal

Mr. Anil Kumar Bhalla

3. AUDITORS' REPORT

The Auditors' Report to the shareholders does not contain any qualifications. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments of Directors.

4. DISCLOSURE PARTICULARS

The Company being registered outside India, the disclosures required to be made in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not relevant. Hence the same has not been furnished.

5. PARTICULARS OF EMPLOYEES

There are no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm:

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- ii. That the selected Accounting Policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and the pre-operative expenses of the Company for the year ended on that date;
- iii. That 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
- iv. That the annual accounts have been prepared on a going concern basis.

For and on behalf of the Board

Place: New Delhi
Date: 24th May, 2011

Anil Kumar Bhalla
Director

Independent Auditors' Report to the Shareholder of

OSWAL OVERSEAS LIMITED

We have audited the accompanying financial statements of OSWAL OVERSEAS LIMITED for the year ended 31st March, 2011.

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.

Our audit included such test of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

In our opinion, the financial statements fairly present the state of affairs of OSWAL OVERSEAS LIMITED as at 31st March, 2011 and the results of its operation and its cash flows for the year then ended in conformity with accounting principles applied.

KSI Shah & Associates

Chartered Accountants

Dubai

24th May, 2011

OSWAL OVERSEAS LIMITED

Statement of Financial Position as at 31st March, 2011

		(Rs. in Thousand)	
	Notes	2011	2010
ASSETS			
Non-current assets			
Loans and advances	3	8,767.27	906,980.17
Current assets			
Other receivable		15,206.29	-
Cash and cash equivalents	4	260.67	444.03
TOTAL ASSETS		<u>24,234.23</u>	<u>907,424.20</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	5	21,090.00	21,332.25
Accumulated losses		(7,379.77)	(22,712.42)
Equity funds		13,710.23	(1,380.17)
Current account	6	10,434.00	908,753.85
Total equity		<u>24,144.23</u>	<u>907,373.68</u>
Current liability			
Accrual and other payable		90.00	50.52
Total equity and liabilities		<u>24,234.23</u>	<u>907,424.20</u>

The accompanying notes 1 to 8 form an integral part of these financial statements.

The Independent Auditors' Report is approved by the director on 24th May, 2011.

For OSWAL OVERSEAS LTD.

DIRECTOR

Statement of Comprehensive Income for the year ended 31st March, 2011

		(Rs. in Thousand)	
	Notes	2011	2010
Commission income	2(e)	15,421.20	-
Administrative expenses		(221.45)	(150.09)
Interest income	3	88.03	90.18
Net profit/(loss) for the year		<u>15,287.78</u>	<u>(59.91)</u>

The accompanying notes 1 to 8 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31st March, 2011

1. Legal status and business activity

- a) OSWAL OVERSEAS LIMITED is an offshore company with limited liability registered under the provision of Offshore Companies regulations of Jebel Ali Free Zone of 2003 under registration No of 2384.
- b) The company was incorporated on 24th July, 2006 and is established to carry out business of general trading and investment activities. The company has not generated any revenue except the commission income as it has not begun any commercial activities.

2. Significant accounting policies

The financial statements are prepared under the historical cost convention and the significant accounting policies adopted are as follows:

a) Loans and advances:

Provision is made for doubtful loans and advances. Bad debts are written off as they arise.

b) Pre-operative expenses:

All expenses related to various projects by the company are treated as pre-operative expenses till the commencement of commercial production.

c) Payables and accruals:

Liabilities are recognized for amounts to be paid for goods or services received whether or not invoiced to the company.

d) Staff end of service gratuity:

Staff end of service gratuity is accounted on cash basis.

e) Commission income:

Indenting commission income is accounted on accrual basis.

f) Foreign currency transactions:

Transactions in foreign currencies are converted into US Dollar at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into US Dollar at the rate of exchange ruling at the balance sheet date.

Resulting exchange gains/losses are taken to the income statement.

3. Loans and advances

	(Rs. in thousand)	
	2011	2010
Loan to Oswal Refinery*	8,767.28	8,780.17
Advance to a supplier #	-	898,200.00
	<u>8,767.28</u>	<u>906,980.17</u>

* This represents loan given to Oswal Refinery Limited, Russia. This loan carries interest at 1% per annum and the accrued interest as at balance sheet date is Rs 86,802/-.

This amount represents advance paid to a supplier for acquiring sole marketing and distribution right for the coal produced by the Indonesian company which was returned back during the year under audit as the contract between the parties got cancelled.

4. Cash and cash equivalents

	(Rs. in thousand)	
	2011	2010
Cheques on hand	106.38	-
Bank balance in current and Call deposit accounts	154.29	444.03
	<u>260.67</u>	<u>444.03</u>

5. Share capital

Subscribed, Issued and Paid up Shares 17,440 @ AED 100/- *		
(US \$ 1 @ AED 3.6715)	21,090.00	21,332.25

*The share certificate is issued in the name of 'M/s Oswal Agro Mills Limited' the sole shareholder of the company.

6. Current account

This amount represents current account balance of the shareholder of the company.

7. Contingent liability

There was no contingent liability of a significant amount at the balance sheet date.

8. Comparative figures

Previous year's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

CONSOLIDATED AUDITORS' REPORT

To the Board of Directors of Oswal Agro Mills Ltd

1. We have audited the attached Consolidated Balance Sheet of Oswal Agro Mills Ltd and its subsidiary (collectively referred to as "the Group") as at 31st March, 2011, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with 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 of material misstatement. An audit includes examining, on 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.
3. We did not audit the financial statements of subsidiary company, namely Oswal Overseas Ltd, whose financial statements reflect total assets of Rs. 24,234.23 thousand as at 31st March 2011, the total revenue of Rs. 15,509.23 thousand and cash flows amounting to Rs. 183.35 thousand for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on such report.
4. *The accounts of Oswal Brasil Refinara De Petroleo S.A., Brazil, a step down subsidiary of the company have not been consolidated as the said company is in process of winding up. (Refer Note 14 to Significant Accounting Policies and Notes on Consolidated Accounts).*
5. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards (AS) 21 on Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules 2006.
6. In our opinion and to the best of our information and according to explanations given to us and on consideration of the separate audit report on the subsidiary company, the Consolidated Balance Sheet, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement, *subject to our comments in paragraphs 4 and 7 below*, give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of the Consolidated Balance Sheet of the Consolidated State of Affairs of the Group as at 31st March, 2011,
 - ii) In the case of the Consolidated Profit & Loss Account of the Consolidated results of the Group for the year ended on that date, and
 - iii) In the case of the Consolidated Cash Flow Statement of the Consolidated Cash Flows of the Group for the year ended on that date.
7. *Non- translation of interest free export advance received (net) of USD 5,237,796.80 at the year end exchange rate and non- accounting for the fluctuation in the exchange rate, which is contrary to Accounting Standard 11 and further non- provision of interest accrued on the amount receivable Rs. 38,386.29 thousand due to the pending of Decree orders passed by the High Court on 09.05.1989, as stated in note no. 3 in schedule XVIII.*

For T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

Place: New Delhi
Date: 28th May, 2011

(Surender Kumar)
Partner
M. No. 82982

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. in thousand)

Particulars	Schedule No.	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	1,342,347.76	1,342,347.76
Reserves & Surplus	II	4,747,593.80	4,533,321.00
		<u>6,089,941.56</u>	<u>5,875,668.76</u>
Deffered Tax Liabilities	III	-	-
Total		<u>6,089,941.56</u>	<u>5,875,668.76</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	IV	87,496.53	273,696.23
Less: Depreciation		29,221.67	28,752.79
Net Block		<u>58,274.86</u>	<u>244,943.44</u>
Capital Work In Progress		11,689.27	1,604.72
Investments	V	3,030,850.73	1,488,501.13
Current Assets, Loans & Advances			
-Inventories	VI	642,345.20	458,850.00
-Sundry Debtors	VII	-	132,647.91
-Cash & Bank Balances	VIII	1,043,162.39	22,843.00
-Loans & Advances	IX	1,673,393.96	4,162,148.05
		<u>3,358,901.55</u>	<u>4,776,488.96</u>
Less: Current Liabilities & Provisions			
Current Liabilities	X	369,069.04	706,313.61
Provisions	XI	705.81	961.68
		<u>369,774.85</u>	<u>707,275.29</u>
Net Current Assets		2,989,126.70	4,069,213.67
Profit & Loss Account		40,121.15	267,881.89
Less: General Reserve		40,121.15	196,476.09
Total		<u>6,089,941.56</u>	<u>5,875,668.76</u>
Significant Accounting Policies and Notes to the Consolidated Accounts	XVIII		

This is the Consolidated Balance Sheet referred to in our report of even date

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 28th May, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in thousand)

Particulars	Schedule No.	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
INCOME			
Sales & Other Business Income	XII	38,708.66	74,260.68
Other Income	XIII	130,433.82	6,116.71
Total		<u>169,142.48</u>	<u>80,377.39</u>
EXPENDITURE			
Employees' Cost	XIV	5,031.26	2,784.87
Finance Expenses	XV	977.76	1,780.52
Depreciation	IV	1,198.22	1,192.02
Other Expenses	XVI	42,778.08	58,821.42
Total		<u>49,985.32</u>	<u>64,578.83</u>
Profit/(Loss) Before Prior Period Adjustments And Taxation		119,157.16	15,798.56
Prior Period Adjustments (Net)	XVII	59.40	769.03
Profit/(Loss) Before Taxation And Extraordinary Item		119,097.76	15,029.53
Current Tax		7,000.00	2,364.00
Fringe Benefits Tax For Previous Year		-	206.06
Profit after Taxation before Share in Associate's Profit and Extraordinary Items		112,097.76	12,459.47
Share of Profit In Associate		189,488.79	-
Profit After Taxation And Share In Associate's Profit Before Extraordinary Items		301,586.55	12,459.47
Extraordinary Item- Foreign Exchange Flucuation (Net of Tax Rs. Nil)		73,825.81	-
Profit After Taxation And Extraordinary Items		227,760.74	12,459.47
Loss Brought Forward From Previous Year		(267,881.89)	(280,341.36)
Balance Carried Over To Balance Sheet		<u>(40,121.15)</u>	<u>(267,881.89)</u>
Earning Per Share (Nominal Value of Rs.10 Each) Basic / Diluted (Note 10 on Schedule XVIII)			
- On Profit Before Extraordinary Item		2.25	0.09
- On Profit After Extraordinary Item		1.70	0.09
Significant Accounting Policies and Notes To The Consolidated Accounts	XVIII		

This is the Consolidated Profit & Loss Account referred to in our report of even date

The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 28th May, 2011

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

(Rs. in thousand)

	Year Ended March 31, 2011	Year Ended March 31, 2010
A. Cash flow from operating activities:		
Net Profit / (Loss) before tax and extraordinary items	119,097.76	15,029.53
Adjustments for :		
Depreciation	1,198.22	1,192.02
Loss/(Profit) on sale of rights of leasehold land	(51,701.41)	-
Interest	977.76	1,780.52
Foreign Exchange Fluctuation	-	-
Interest Received	(2,464.58)	(5,996.63)
Balance written off	51.03	-
Excess Provision Written Back	(76,144.74)	-
Prior Period Expenses/(Income) (Net)	59.40	769.03
Provision for Wealth Tax	225.08	218.20
Operating profit before working capital changes	(8,701.48)	12,992.67
Adjustments for changes in working capital :		
- (Increase)/Decrease in Inventories	-	11,691.90
- (Increase)/Decrease in Sundry Debtors	132,647.91	43,373.00
- (Increase)/Decrease in Other Receivables	2,482,607.47	(680,745.65)
- Increase/(Decrease) in Trade and Other Payables	(261,362.58)	513,939.59
- (Increase)/Decrease in Net Current Assets		
	2,353,892.80	(111,741.16)
Cash generated from operations	2,345,191.32	(98,748.49)
- Prior Period (Expenses)/Income (Net)	(59.40)	(769.03)
- Wealth Tax Paid	(218.20)	(239.21)
- Taxes (Payment) / Refund	(904.41)	21,448.84
Net cash from operating activities before extraordinary items	2,344,009.31	(78,307.89)
Extraordinary item	(73,825.81)	
Net cash from operating activities after extraordinary items	2,270,183.50	(78,307.89)
B. Cash flow from Investing activities:		
Purchase of fixed assets and capital work in progress	(11,407.98)	(452.11)
Sale of Fixed Assets	55,000.00	-
Interest Received	2,464.58	5,996.63
(Purchase)/Sale of investments (Net)	(1,352,860.81)	(267,082.73)
Net cash used in/from investing activities	(1,306,804.21)	(261,538.21)
C. Cash flow from financing activities:		
Proceeds (Repayments) from short term borrowings	-	(614,809.17)
Foreign Currency Translation Fund	57,917.86	(58,943.43)
Interest Paid	(977.76)	(1,780.52)
Net cash used in financing activities	56,940.10	(675,533.12)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,020,319.39	(1,015,379.22)
Cash and cash equivalents at the beginning of the year	-	1,038,222.22
Cash and cash equivalents at the close of the year	1,020,319.39	22,843.00

Notes:

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Cash and cash equivalents include Fixed Deposits etc. for Rs. 42,867.01 thousand (Previous Year Rs. 21,663.90 thousand) pledged as security with/against Govt. Departments/loan.
- Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

This is the Consolidated Cash Flow referred to in our report of even date.

Notes to accounts (Schedule XVIII) form an integral part of Consolidated Cash Flow Statement

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No. 82982
For and on behalf of
T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 28th May, 2011

CONSOLIDATED SCHEDULES TO ACCOUNTS

(Rs. in thousand)

SCHEDULE - I	As At 31.03.2011	As At 31.03.2010
SHARE CAPITAL		
AUTHORISED:		
300,000,000 (Previous Year 300,000,000) Equity Shares of Rs. 10/- each	3,000,000.00	3,000,000.00
10,000,000 (Previous Year 10,000,000) Redeemable Preference Shares of Rs. 100/- each	1,000,000.00	1,000,000.00
	<u>4,000,000.00</u>	<u>4,000,000.00</u>
ISSUED SUBSCRIBED & PAID UP:		
134,234,776 (Previous Year 134,234,776) Equity Shares of Rs.10/- each fully paid up (Out of these 125,616 Equity Shares were allotted as Fully Paid up pursuant to a contract without payment being received in cash and 6,183,162 shares were allotted as Fully Paid Up Bonus Shares by Capitalisation of Share Premium)	1,342,347.76	1,342,347.76
Total	<u>1,342,347.76</u>	<u>1,342,347.76</u>

SCHEDULE - II

RESERVES & SURPLUS		
Share Premium	4,464,882.64	4,464,882.64
Capital Reserve	1,500.00	1,500.00
Investment Allowance Reserve		
Opening Balance	122,500.00	122,500.00
Less: Transferred To General Reserve	122,500.00	-
Foreign Currency Translation Fund	2,356.22	(55,561.64)
General Reserve		
Opening Balance	196,476.09	196,476.09
Add: Transferred From Investment Allowance Reserve	122,500.00	-
Less: Profit And Loss Account (Debit Balance)	40,121.15	278,854.94
Total	<u>4,747,593.80</u>	<u>4,533,321.00</u>

SCHEDULE - III

DEFERRED TAX LIABILITY

Fixed Assets		
Opening Balance	9,025.06	9141.20
For the Year	26.44	(116.14)
Closing Balance	9,051.50	9,025.06
Deferred Tax Asset		
Disallowance U/S 43 B and Gratuity		
Opening Balance	252.71	619.34
For the Year	(93.02)	(366.63)
Closing Balance	159.69	252.71
Losses Carried Forward		
Opening Balance	8,772.35	8,521.86
For the Year	119.46	250.49
Closing Balance	8,891.81	8,772.35
Total	<u>-</u>	<u>-</u>

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - IV

FIXED ASSETS

Particulars	Gross Block			As At 31.03.2011	Depreciation			Net Block		
	As At 01.04.2010	Additions During the Year	Sale/Adj- stment During the Year		Upto 01.04.2010	For the Year	Written Back/ Adjustment During the Year	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
Land										
-Leasehold	7,553.47	-	4,027.93	3,525.54	1,373.20	40.61	729.34	684.47	2,841.07	6,180.27
-Freehold	194,852.00	-	183,495.20	11,356.80	-	-	-	-	11,356.80	194,852.00
Buildings										
-Freehold	63,128.22	-	-	63,128.22	20,035.74	1,051.45	-	21,087.19	42,041.03	43,092.48
Plant & Machinery	1,488.05	-	-	1,488.05	680.42	70.68	-	751.10	736.95	807.63
Furniture & Fixture	4,319.65	-	-	4,319.65	4,318.00	0.48	-	4,318.48	1.17	1.65
Vehicles	2,354.84	1,323.43	-	3,678.27	2,345.43	35.00	-	2,380.43	1,297.84	9.41
Total	273,696.23	1,323.43	187,523.13	87,496.53	28,752.79	1,198.22	729.34	29,221.67	58,274.86	244,943.44
Previous year	273,054.15	642.08	-	273,696.23	27,560.77	1,192.02	-	28,752.79	244,943.44	245,493.38

SCHEDULE - V

As At 31.03.2011

As At 31.03.2010

INVESTMENTS (AT COST)

A. Long Term Investments

(i) Government Securities (Unquoted)

Post Office Time Deposit

(Pledged with Government Departments as security deposits)

134.10

134.10

(ii) Equity Shares

a) Associate Company

- Quoted (Non Trade)

Equity Share (Fully Paid Up) 91,384,203 (Previous Year 29,323,004)

of Oswal Chemicals & Fertilizers Ltd (Including share of profit

Rs. 189,488.79, Previous Year Nil)

2,565,297.07

933,552.44

b) Other Companies

- (Unquoted, Non Trade)

12,036,500 (Previous Year 12,036,500) Equity Shares of Rs 10/- each

of P C Media Systems Ltd

290,419.31

290,419.31

One Equity Share (Previous Year One) of Urmi Group Housing

Society Ltd of Rs 250 each

0.25

0.25

100,000 (Previous Year 100,000) Equity Shares of Rs 10/-each of Sohanaa

International Pvt Ltd

5,000.00

5,000.00

4,000 (Previous Year 4,000) Equity Shares of Rs 1000/-each (Superior

Portfolio (P) Ltd

15,000.00

15,000.00

(iii) Debentures*

55,000 (Previous Year Nil) 0% Optionally Convertible Debentures of

Rs. 1,000 each of Freedom Technobuild Private Ltd

55,000.00

-

10,000,000 (Previous Year Nil) 0% Optionally Convertible Debentures of

Rs. 10 each of Infotel Business Solutions Ltd

100,000.00

-

B. Current Investments

i) Mutual Funds

Nil Units (Previous Year 16,848,207) of LIC Mutual Fund Savings Plus Fund

-

244,395.03

Total

3,030,850.73

1,488,501.13

Aggregate Book Value of:

Quoted Investments

2,565,297.07

933,552.44

Unquoted Investments

465,553.66

554,948.69

*redeemable at 31.12.2025

SCHEDULE - VI

INVENTORIES

LAND*	183,495.20	-
Stock in Trade (Equity Shares)	458,850.00	458,850.00
Total	642,345.20	458,850.00

*Converted from fixed assets

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - VII	As At 31.03.2011	As At 31.03.2010
SUNDRY DEBTORS (Unsecured Considered Good)		
Over Six Months	-	132,647.91
Total	-	132,647.91

SCHEDULE - VIII

CASH & BANK BALANCES

Cash & Cheques in Hand (Including Postage Imprest)	18,002.38	2.38
Balances with Scheduled Banks :		
-Current Accounts	982,032.33	732.69
-Fixed Deposits *	42,853.51	21,650.40
Balances with Non Scheduled Banks :		
-Current Accounts	260.67	444.03
Balance with Post Office in Saving Account (Pass Book lodged with the Government Departments as Security Deposit)	13.50	13.50
Total	1,043,162.39	22,843.00

*Fixed Deposits are pledged as security with/against Govt. Departments/Loan/Bank Guarantee.

SCHEDULE - IX

LOANS & ADVANCES

(Unsecured and Considered Good Unless Otherwise Stated)

Advances Recoverable in Cash or in kind or for value to be Received	1,610,268.56	4,094,418.26
Security Transaction Tax	-	-
Interest Accrued but not due on Deposits	3,123.96	1,780.28
Balance with Central Excise Etc.	23,634.07	23,634.07
Security Deposits	16,623.06	16,448.06
Advance Fringe Benefit Tax	-	27.48
Advance Income Tax	19,744.31	25,839.90
(Net of provision Rs. 9,364 thousand (Previous year Rs. 9268.75 thousand))		
Total	1,673,393.96	4,162,148.05

SCHEDULE - X

CURRENT LIABILITIES

Sundry Creditors	89,114.67	163,969.39
Advances from Customers	250,000.00	509,800.00
Other Liabilities	29,954.37	32,544.22
Total	369,069.04	706,313.61

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - XI	As At 31.03.2011	As At 31.03.2010
PROVISIONS		
Gratuity	462.84	698.55
Leave with Wages	17.89	44.93
Wealth Tax	225.08	218.20
Total	705.81	961.68

SCHEDULE - XII	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
SALES AND OTHER BUSINESS INCOME		
Interest Received (TDS Rs. 42.76 Thousand, Previous Year Rs. 10,734.57 Thousand)	427.58	67,155.68
Interest Received on ICD (TDS Rs. 625.00 Thousand, Previous Year Rs. Nil)	6,250.00	-
Profit/(Loss) on Trading of Share/ Mutual Fund	16,609.88	7,105.00
Commission	15,421.20	-
Total	38,708.66	74,260.68

SCHEDULE - XIII		
OTHER INCOME		
Misc Income	3.09	0.08
Rent Received	120.00	120.00
Interest Received (TDS Rs. 236.65 Thousand, Previous Year Rs. 200.18 Thousand)	2,464.58	5,996.63
Profit on Sale of Rights of Leasehold Land	51,701.41	-
Excess Provision Written Back	76,144.74	-
Total	130,433.82	6,116.71

SCHEDULE - XIV		
EMPLOYEES' COST		
Salaries, Wages, Bonus and other Allowances	4,674.58	2,608.66
Contribution to Provident Fund & Employees State Insurance	328.11	138.91
Welfare Expenses	28.57	37.30
Total	5,031.26	2,784.87

SCHEDULE - XV		
FINANCE EXPENSES		
Interest	955.90	1,766.11
Bank Charges	21.86	14.41
Total	977.76	1,780.52

SCHEDULES (Contd...)

(Rs. in thousand)

SCHEDULE - XVI	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
ADMINISTRATION EXPENSES		
Rent	18,791.16	17,659.86
Rates & Taxes	2,075.13	10,849.71
Printing & Stationery	1,360.77	1,309.07
Postage & Telegram	1,818.09	1,798.79
General Maintenance & Security Charges	1,414.87	1,268.04
Repairs & Maintenance - Building	41.01	2,979.28
- Others	221.57	28.97
Consultation Fees	8,164.88	6,983.72
Inventories Written off	-	11,691.90
Sundry Balances Written off	51.03	-
Other Expenses	8,839.57	4,252.08
Total	42,778.08	58,821.42

SCHEDULE - XVII

PRIOR PERIOD ADJUSTMENTS (NET)

Income		
Repairs & Maintenance - Building	-	100.00
	<u>-</u>	<u>100.00</u>
Expenses		
Consultation Fees	-	858.00
Other General Expenses	59.40	11.03
	<u>59.40</u>	<u>869.03</u>
Total	59.40	769.03

SCHEDULE-XVIII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

1. Group Companies

The consolidated financial statements comprise of financial statements of Oswal Agro Mills Ltd (the company) and its wholly owned subsidiary incorporated outside India namely Oswal Overseas Ltd. (hereinafter referred as "the Group").

2. Basis of preparation of Accounts

The financial statements of the parent company and the subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating, intra-group balance/transactions in full as per accounting standard-21 on Consolidated Financial Statements.

All unrealized surplus and deficit on transactions between the group companies are eliminated.

3. Significant Accounting Policies

i) Accounting Convention:

The consolidated financial statements are prepared under historical cost convention on accrual basis in accordance with the mandatory accounting standards read with notes and relevant presentational requirements of the Companies Act, 1956.

ii) Investments :

Long term investments are stated at cost less provision, if any, for diminution in value of such investments other than temporary. Current investments are stated at lower of cost and fair value.

iii) Fixed Assets :

- Fixed Assets are shown at cost less accumulated depreciation.
- Depreciation on fixed assets are provided on straight line method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.
- No depreciation is provided on fixed assets held for disposal and shown under current assets at estimated realizable value.

iv) Inventories:

Inventories are valued at cost or net realizable value whichever is lower. Cost is determined on FIFO basis.

v) Interest:

Interest on securities (other than fixed deposits with banks) pledged/deposited with the Government Departments is accounted for on cash basis.

SCHEDULES (Contd...)

vi) Recognition of Income and Expenditure:

- (a) Brokerage, Service Tax, Education Cess and Securities Transaction Tax to the extent not available as rebate under Income Tax Act, 1961 on purchase/sale of shares and other securities are charged directly to Profit & Loss Account
- (b) Provision for loss in respect of Open Equity Derivative Instruments as at the Balance Sheet date is made Index-wise/Scrip-wise. As a matter of prudence, any anticipated profit is ignored.

vii) Provision:

A provision is recognized when the group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made.

viii) Contingent Liabilities:

Contingent liabilities not provided for in the accounts are separately disclosed in the "Notes to Accounts".

ix) Employee Benefits:

i. Long Term Employee Benefits

a) Defined Contribution Plans

The company's contribution to defined contribution plans is charged to Profit & Loss Account as incurred.

b) Defined Benefit Plans

Defined Benefit Plan is provided on the basis of valuation as at the balance sheet date carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

c) Other Long Term Employee Benefits

Other long term benefit is provided on the basis of valuation as at the date carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

- ii. Actuarial gains and losses comprise experience adjustments and the effects of the changes in actuarial assumptions are recognised immediately in the Profit & Loss Account as income or expense.
- iii. Employee benefits which fall due wholly within twelve months after the end of the period in which the employees render the related service are recognised at the amount expected to be paid for it.

x) Translation of Non-integral Foreign Operations:

Assets and Liabilities (monetary and non-monetary) are translated at the closing rates at the year end.

Income and expenses are translated at the quarterly average closing rate at the end of respective quarter.

All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till disposal of the net investments.

xi) Pre-operative Expenses:

All expenses related to various projects by the group are treated as pre-operative expenses till the commencement of commercial production.

xii) Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Liability / receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains / losses thereon are taken to the Profit & Loss Account.

xiii) Earnings Per Share:

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xiv) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

NOTES TO ACCOUNTS

4. Contingent Liabilities

(Rs. in thousand)

Particulars	As at	As at
	31.03.2011	31.03.2010
Claims against the group not acknowledged as debt.	64,143.42	64,143.42

5. The leasehold land includes cost of Nil acres (previous year 150 acres) of land valuing Rs.Nil (previous year Rs 3300.10 thousand) acquired by the Group at Shahjahanpur (U.P.). The cost of this land represents payment of premium, development charges and stamp duty for execution of lease deed paid by the Group. The case regarding additional compensation is pending in the Court. Therefore, the additional compensation, if any, shall be accounted for as and when the case is decided.
6. During 1983 the Company had received interest free advance of USD 6 millions from M/s Indo Europe Food Limited, London as against export contract of USD 60 millions. The above advance received by the company is secured against Bank Guarantee for USD 6 millions and in lieu whereof the bank holds first charge over the movable, immovable, present and future assets of the Soyabean Processing Unit at Mandideep (M.P.) and has counter guarantee by the Chairman of the Company. The Company has further given a FDR of Rs. 24,111.06 thousand (Previous Year Rs. 21,441.27 thousand) under Bank's lien as margin for Bank Guarantee. As per accounting policy of the Company, no effect has been given in the accounts to the fluctuation in the exchange rate on the above amount of advance, which were reflected on the exchange rate prevalent on the date of receipt of advance. As such the fluctuation, if any, will be accounted for as and when the matter is finalized.

In addition to the above export contract, the Company had also made exports of goods valuing Rs.30,936.11 thousand to

SCHEDULES (Contd...)

M/s Indo Europe Food Limited, London for which export bills remain outstanding. As against outstanding export bills, the Company obtained a Decree dated 9th May, 1989 from the Hon'ble Delhi High Court for an amount of Rs.38,386.29 thousand along with interest @ 12% p.a. from the date of Decree till the date of realization. In view of the above, Decree remains pending for execution, no provision for interest has been made in the Books of Accounts, which shall be accounted for in the year of realization. However, the Company has provisionally adjusted the over due export bills against the above referred advance received from M/s Indo Europe Food Limited.

7. In the opinion of the management, all current assets and loan & advances as on 31st March, 2011 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
8. The figure of Other Expenses (Schedule – XVI) includes the provision made for Auditors Remuneration on the following account

Particulars	(Rs. in thousand)	
	Current Year	Previous Year
Audit Fee*	650.00	660.00
Company Law Matters	-	150.00
Taxation	-	7.00
Certification Work	90.63	20.00
Out of pocket expenses	97.99	86.18

(including service tax)**

*includes Rs. Nil (Previous Year Rs. 10.00 thousand) for prior period

** includes Rs. Nil (Previous Year Rs. 1.00 thousand) for prior period

9. Employee Cost (Schedule XIV) and Other Expenses (Schedule XVI) includes Rs 4,048.48 thousand (Previous Year Rs. 3,701.28 thousand) being apportioned expenses incurred by a group company on behalf of the Group.
10. The Company has not charged any interest on loans given to certain enterprises aggregating to Rs. 425,773.99 thousand outstanding as on 31st March, 2011 in terms of an arbitration award, which was mutually accepted, by the borrowers and the company. The terms of repayment have been extended to 31st March, 2012 by way of an understanding between borrowers and the company.
11. Market value of Equity Shares of Oswal Chemicals & Fertilizers Ltd as at 31st March, 2011 was Rs. 5,327,699.03 thousand (Previous Year Rs. 477,964.97 thousand).
12. Based on the information available with the Company, there are no dues as at March 31, 2011 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.
13. Earnings Per Share (EPS) – Numerators and Denominators used to calculate basic and diluted earning per share

Particulars	Current Year	Previous Year
Profit/(Loss) before extraordinary item attributable to equity shareholders (A) (Rs. in thousand)	301,586.55	12,459.47
Profit/(Loss) after extraordinary item attributable to equity shareholders (B) (Rs. in thousand)	227,760.74	12,459.47
Basic/Diluted Weighted Average of equity shares outstanding during the year (C)	134,234,776	134,234,776
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic/Diluted earnings per share excluding extraordinary item (Rs.) (A)/(C)	2.25	0.09
Basic/Diluted earnings per share including extraordinary item (Rs.) (B)/(C)	1.70	0.09

14. Related Party Disclosures

- i) Related parties and transactions with them as identified by the management are given below:

- Enterprises over which major shareholders, key management personnel and their relatives have significant influence
 - Oswal Chemicals & Fertilizers Ltd*
 - Lucky Star Entertainment Ltd
 - Aruna Abhey Oswal Trust
 - Sohanaa International Pvt Ltd.
- Key Management Personnel and their relatives:-
 - Mr. Abhey Kumar Oswal, Mr. Anil Bhalla, Mr. Shael Oswal

Details of transactions with the related parties in the ordinary course of business:

1. Enterprises over which major shareholders and key Management Personnel have significant influence

Particulars	Nature of Payments	(Rs. in thousand)	
		Current Year	Previous Year
Lucky Star Entertainment Limited	Payments made by the company on behalf of the enterprise	-	17.55
	Balances outstanding at year end:		
	- Receivable	91,129.79	121,129.79
Oswal Chemicals & Fertilizers Limited (Associate)	Rent Received	120.00	120.00
	Payments made by Enterprise on behalf of the company	-	1,269.40
	Interest Paid (Net)	-	1.20
	Interest Received (Net)	1.44	-
	Their share of common expenses transferred from the enterprise	4,048.48	3,701.28
	Advance received by the Company	430,000.00	1,523,800.00
	Advance given by the Company	190,700.00	-
	Loan Given	14,716.41	52,676.02
	Loan taken	39,067.46	30,952.42
	Transfer of Machinery and other expenses by the company to the enterprise	106,168.25	-
	Balances outstanding at year end:		
	- Receivable (Loan)	12,829.66	29,516.29
	- Receivable (Advance)	190,700.00	-
	- Receivable against transfer of machinery and other expenses	106,168.25	-
	- Payable (Advance received)	-	509,800.00
	- Investment	2,375,808.28	933,552.44

*Oswal Chemicals & Fertilizers Ltd becomes an associate of the company w.e.f. 22.10.2010.

SCHEDULES (Contd...)

15. Segment Reporting

The business segment is the primary segment of the Company consisting of -

- Investing Activities
- Real Estate

(Rs. In Thousands)

Particulars	Current Year	Previous Year
Segment Revenue		
Investment Activities	23,287.46	74,260.68
Real Estate	-	-
Others	145,855.02	6,116.71
Total Segment Revenue	169,142.48	80,377.39
Segment Result		
Profit/(Loss) before tax and interest from each segment		
Investment Activities	18,062.99	70,612.14
Real Estate	(19,105.95)	(17,127.20)
Others	121,118.48	(36,674.89)
Less : Interest & Finance Charges	977.76	1,780.52
Profit before Taxation	119,097.76	15,029.53
Less : Provision for Current Tax	7,000.00	2,364.00
Less : Fringe Benefit Tax for Earlier Year	-	206.06
Profit from Ordinary Activities after Tax before share of profit from associate and extraordinary items	112,097.76	12,459.47
Share of Profit from Associate	189,488.79	-
Profit from Ordinary Activities after Tax and share of profit from associate before extraordinary items	301,586.55	12,459.47
Extra Ordinary Item (Net of Tax)		
Foreign Exchange Fluctuation Loss	73,825.81	-
Net Profit / (Loss) for the year	227,760.74	12,459.47
Segment Assets		
Investment Activities	5,148,288.94	2,603,395.88
Real Estate	1,113,485.57	2,497,883.98
Others	197,941.90	1,410,258.41
Total Assets	6,459,716.41	6,511,538.27
Segment Liabilities		
Investment Activities	-	-
Real Estate	250,480.90	509,800.00
Others	119,293.95	197,475.29
Total Liabilities	369,774.85	707,275.29
Assets Acquired		
Others	11,407.98	452.11

16. Employee Benefits

The Company has classified various employee benefits as under:

a) Defined Contribution Plans

The company has recognized the following amounts in the Profit and Loss Account for the year:

Employees Provident Fund including family pension fund Rs.290.90 thousand (Previous Year Rs. 120.88 thousand)

b) Defined Benefit Plans

- Valuation in respect of gratuity has been carried out by independent actuary, as at the Balance date, based on the following assumption:

Particulars	Gratuity (Unfunded) 31.03.2011	Gratuity (Unfunded) 31.03.2010
Discounting Rate	8.00%	7.50%
Future salary Increase	5.50%	5.00%
Expected Rate of return on plan assets	NA	NA
Expected Average remaining working lives of employees in number of years	0.90	4.28

- The amounts recognized in the balance sheet are as follows:

(Rs. in thousand)

Particulars	Gratuity (Unfunded) 31.03.2011	Gratuity (Unfunded) 31.03.2010
Present value of obligation	462.84	698.55
Fair value of plan assets	-	-
Net asset /(liability) recognized in balance sheet	(462.84)	(698.55)

- Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

(Rs. in thousand)

Particulars	Gratuity (Unfunded) 31.03.2011	Gratuity (Unfunded) 31.03.2010
Present value of obligation as at the beginning of the year	698.55	655.95
Interest cost	55.88	49.20
Current service cost	18.76	30.18
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	(310.35)	(36.78)
Present value of obligation as at the end of year	462.84	698.55

- The amount recognized in the Profit & Loss A/c is as follows:

(Rs. in thousand)

Particulars	Gratuity (Unfunded) 31.03.2011	Gratuity (Unfunded) 31.03.2010
Current service cost	18.76	30.18
Interest cost	55.88	49.20
Net actuarial (gain)/ loss recognized in the year	(310.35)	(36.78)
Amount apportioned from a group company	50.61	58.88
Expenses recognized in the statement of profit & loss account	(185.10)	101.48

The Company expects to contribute Rs. 34.86 thousand during the next year.

- Oswal Brasil Refinara De Petroleo S.A., Brazil, a step down subsidiary of the company is in the process of winding up, hence the accounts of the said company have not been consolidated.

- The corresponding figures of the previous year have been regrouped/ reclassified, wherever necessary.

Signatures to schedules I to XVIII of consolidated accounts

For and on behalf of the Board

R.P. Jolly
Company Secretary
Place : New Delhi
Date : 28th May, 2011

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman
DIN No. 00589130

OSWAL AGRO MILLS LIMITED

Registered Office:
Near Jain Colony, Vijay Inder Nagar,
Daba Road, Ludhiana - 141 003 (Punjab)

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name of the attending Shareholder / Proxy
(in block letters)

Regd. Folio No.

No. of Shares held.....

DP ID No. / Clients ID No.

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company, being held on Friday, the 30th September, 2011 at 11: 30 a.m at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)

(SIGNATURE OF PROXY HOLDER)

(SIGNATURE OF SHAREHOLDER)

NOTE: Shareholder / Proxy is requested to bring the Attendance Slip with him/her when they come to the meeting. No separate attendance slip will be issued at the time of meeting.

For Office Use

PROXY FORM

OSWAL AGRO MILLS LIMITED

Registered Office:
Near Jain Colony, Vijay Inder Nagar,
Daba Road, Ludhiana - 141 003 (Punjab)

Folio No. _____

No. of Shares held _____

I/We _____ of _____

_____ being a member/members of OSWAL AGRO MILLS LIMITED

hereby appoint _____ of _____

or failing him/her _____ of _____

as my / our proxy to vote for me / us and on my / our behalf at the 31st ANNUAL GENERAL MEETING of the Company, being held on Friday, the 30th September, 2011 and at any adjournment thereof.

Signed _____

Dated _____

Affix
Re. 1/-
Revenue
Stamp

NOTE :

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Companies Act, 1956 lays down that the instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the time fixed for holding the meeting.
3. A proxy need not be a Shareholder of the Company.

Book - Post

If undelivered, return to:

OSWAL AGRO MILLS LIMITED

Near Jain Colony, Vijay Inder Nagar,

Daba Road, Ludhiana - 141 003 (Punjab)