

# ANNUAL REPORT 2013-14



Oswal Agro Mills Limited

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**INFORMATION**

**Corporate Identification No (CIN) L15319PB1979PLC012267**

**BOARD OF DIRECTORS**

Shri Abhey Kumar Oswal-Chairman  
Shri Anil Bhalla-Director  
Shri Bhola Nath Gupta-CEO & Director  
Shri Anuj Sharma –Director

**COMPANY SECRETARY**

Shri R. P. Jolly

**CHIEF FINANCE OFFICER**

Shri Parveen Chopra

**AUDITORS**

M/s T.R. Chadha & Company  
Chartered Accountants, New Delhi

**BANKERS**

The Ratnakar Bank Limited  
HDFC Bank Limited

**REGISTERED OFFICE**

Near Jain Colony, Vijay Inder Nagar,  
Daba Road, Ludhiana - 141 003 (Punjab)  
Phone No. 0161-2544313  
Email: [oswal@oswalagromills.com](mailto:oswal@oswalagromills.com)  
Website: [www.oswalagromills.com](http://www.oswalagromills.com)

**HEAD OFFICE**

7<sup>th</sup> Floor, Antriksh Bhawan,  
22, K G Marg, New Delhi-110001  
Phone No. +9111-23715242, Fax: +9111-23716276

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, First Floor,  
Okhla Industrial Area, Phase-I,  
New Delhi-110020,  
Phone No. +9111-26812682, Fax: +9111-26812683  
Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)



Oswal Agro Mills Limited

## OSWAL AGRO MILLS LIMITED

Corporate Identification No (CIN) L15319PB1979PLC012267  
Regd. Office: Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003(Pb.)  
Phone No. 0161-2544313  
Email: oswal@oswalagromills.com Website: www.oswalagromills.com

### NOTICE OF THE MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 1.00 P.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 consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:**

“RESOLVED THAT the Company’s Audited Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss as at 31<sup>st</sup> March, 2014 and the audited Cash Flow Statement for the financial year ended on that date together with Directors’ and Auditors’ Report thereon be and are hereby approved and adopted.”

**2. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:**

“RESOLVED THAT Mr. Abhey Kumar Oswal (DIN 00589130), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.”

**3. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 (“Act”) and the rules framed there under M/s T. R Chadha & Co., Chartered Accountants (ICAI Firm Registration No.006711N) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next AGM of the Company, subject to ratification of appointment by members at every Annual General Meeting held after this Annual General Meeting and that the Board of Directors be and is hereby authorized to fix remuneration, as may be determined by the Audit Committee in consultation with Auditors.”

#### **SPECIAL BUSINESS:**

**4. APPOINTMENT OF MR ANUJ SHARMA (DIN 06890713) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, read with Schedule IV to the Companies Act, 2013 as amended from time to time, Mr. Anuj Sharma (DIN 06890713) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 27<sup>th</sup> June, 2014 and who holds office until the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing containing declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years upto 31<sup>st</sup> March, 2019, not liable to retire by rotation.”

By Order of the Board  
For Oswal Agro Mills Limited

Place : New Delhi  
Date : 24.07.2014

**R.P. Jolly**  
Company Secretary

#### **NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors(s)/re-appointment of the retiring Director(s), a statement containing details of the concerned director(s) is provided herewith.
4. 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.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September 2014 to 30<sup>th</sup> September 2014 (both days inclusive).
7. The Members are requested to:
  - (a) Take the advantage of dematerialization of shares as Company’s scrip has been put under the 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.



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8. 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. A consolidated share certificate will be returned to such member after making requisite changes thereon.
9. Members intending to seek any clarification on the accounts in the meeting are requested to inform the company at least 10 days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.03.2014 and Statement of Profit & Loss for the year ended on that date together with the Independent Auditors' Report and the Directors' Report thereon, are also enclosed.
10. As per the green initiative taken by the MINISTRY OF CORPORATE AFFAIRS, the shareholders are advised to register their e-mail ids by sending written requests to our RTA "M/s Skyline Financial Services Pvt. Ltd." in respect of shares held in physical form and to the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents/ all communications including Annual Report, Notices, circulars etc. electronically.
11. The notice of the AGM along with the Annual Report for the financial year 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. 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.
13. 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.
14. Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.
15. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
- 16 (i) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronics means (e-voting) to all its members. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. The facility will be available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the following voting period:  
Commencement of e-voting : From 9.00 A.M. on 22<sup>ND</sup> September, 2014  
End of e-voting : Upto 6.00 P.M. on 24<sup>TH</sup> September, 2014  
E-voting shall not be allowed beyond 6.00 p.m. on 24<sup>TH</sup> September, 2014. During the E-voting period, the shareholders of the company holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut-off date, may cast their vote electronically. The cut-off date of e-voting is 8<sup>TH</sup> August, 2014.
- (ii) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercised by way of electronic means gets registered and counted in an electronics registry in the centralized server with adequate 'cyber security'. It also help the shareholders to cast their vote from anywhere and at any time during E-voting period.

**Process/Manner of e-voting For the Shareholders:**

The detailed instructions for E-voting have been given separately in the E-voting form, enclosed herewith.

In case of any queries, you may refer the frequently asked question (FAQs) – Shareholders and e-voting user manual-Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

- (iii) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company/their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (iv). The Company has appointed Mr. Paramnoor Singh, Practicing Chartered Accountant, Membership No 515572 as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (V) The results shall be announced on or after the 34<sup>th</sup> Annual General Meeting of the Company. The results declared along-with the Scrutinizer's report shall be placed on the Company's website [www.oswalagromills.com](http://www.oswalagromills.com) and on the website of the NSDL within two days of passing of the resolutions at the 34<sup>th</sup> Annual General Meeting of the Company on 30<sup>th</sup> September, 2014 and communicated to the BSE/NSE.

**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 (DIN 00589130) 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 53,530,960 shares in his name and his wife holds 2,495,500 shares in the Company. He is a Director on the Board of following companies during the year:



Oswal Agro Mills Limited

S. No.	NAME OF COMPANIES	STATUS
1.	Oswal Greentech Limited	Director
2.	News Nation Networks Limited (Formerly known as M/s Alpha Dealcom Pvt. Ltd.)	Director
3.	Oswal Energy Private Limited	Director
4.	OGL Energy Private Limited	Director
5.	Aruna Abhey Oswal Trust	Trustee

He is a member of Share Transfer Committee, Investor Grievance Committee and Audit Committee in your Company.

#### STATEMENT IN RESPECT OF SPECIAL BUSINESS

**(Pursuant to Section 102 of the Companies Act, 2013)**

##### ITEM NO 4:

Mr. Anuj Sharma was appointed as an additional director of the company w. e. f. 27<sup>th</sup> June, 2014 and pursuant to the provisions of Section 161 of the Companies Act, 2013 and as per Article of the company, he shall hold office of the Director, as such, up to the date of ensuing Annual General Meeting. The Company has received a declaration in writing by the director (Mr. Anuj Sharma) stating that he meet the criteria of independence as provided under section 149 (6) of the Act.

The Board considers that it is in the interest of the Company to continue to have the benefit of experience and knowledge of Mr. Anuj Sharma. Accordingly, the Board recommends his appointment as an Independent Director of the Company to hold office for 5 consecutive years up to 31<sup>st</sup> March 2019, not being liable to retire by rotation.

In the opinion of the Board the director fulfill the conditions specified in the Act and the rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment is now being placed before the Members for their approval.

Except Mr. Anuj Sharma and his relatives, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item no 4. The Board recommends the resolution for your approval.

By Order of the Board  
For Oswal Agro Mills Limited

**R. P. Jolly**  
Company Secretar

Place : New Delhi  
Date : 24.07.2014



Oswal Agro Mills Limited

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 34th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2014 and other accompanying reports, notes and certificates.

### FINANCIAL HIGHLIGHTS

(₹ in Lacs)

PARTICULARS	Current Year 31.03.2014	Previous Year 31.03.2013
Operating & other Income	1960.43	4735.35
Profit/(Loss) before Depreciation & Provision for taxation	1627.92	(764.98)
Less : Depreciation	16.46	12.71
: Provision for Tax	333.97	-
: Deferred Tax		-
Profit/(Loss) after Depreciation & Tax	1277.49	(777.69)
Add: Balance brought forward from Previous year	(7630.32)	(6852.63)
Balance carried to Balance Sheet	(6352.83)	(7630.32)

### REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year, the company has earned net profit of ₹12.77 crores against the net loss of ₹7.78/- crores in the previous year. During the year company was mainly engaged in Real Estate and investment activities. As you aware that the real estate development project at Chembur, Mumbai could not be started back due to the adverse judgement of the Hon'ble Supreme Court however the company has filed a review petition of the judgement. The future of this project is solely dependent on the outcome of the judgement. The company is exploring other possibilities in real estate sector.

### 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

The Company has not accepted any deposits within 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 upto the date of this report.

### AUDITORS AND AUDITORS REPORT

M/s T. R. Chadha & Co., Chartered Accountants, ( Firm Registration No. 006711N), as the Statutory Auditors of the Company holds office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013.

As per the recommendation of the Audit Committee, the Board of Directors proposes the re-appointment of T.R. Chadha & Co., Chartered Accountants as Statutory Auditor of the Company.

The Report of Auditors' on Audited Annual Accounts of the company for the Financial Year 2013-2014 forms part of the Annual Report and is self-explanatory and do not require any further comments.

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 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.

The Company has also received the requisite disclosures/declarations from Mr. Anuj Sharma as required under Section 149 and other applicable provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Anuj Sharma as Independent Director for five consecutive years.

Details of the proposal for the appointment of above director are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the Annual General Meeting. The Company has received requisite notice in writing from members proposing Mr. Abhey Kumazr Oswal as Director and Mr. Anuj Sharma as Independent Director of the Company.

Mr. Sunil Kumar Kulshrestha has resigned from the directorship of the Company w. e. f. 25<sup>th</sup> June, 2014. The matter we considered by the Board in its meeting held on 27<sup>th</sup> June, 2014. The Board has placed on record its appreciation of the contribution made by Mr. Sunil Kumar Kulshrestha during his tenure.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby states and confirms:



## Oswal Agro Mills Limited

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company and there are no material departure from the applicable accounting standards;
- 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 the end of the financial year and of the profit of the Company for the year ended 31st March, 2014;
- 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; and
- 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 31.03.2014 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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges is reproduced in a separate section elsewhere in the Annual Report.

### CORPORATE GOVERNANCE

Your Company is committed to achieving and maintaining high standards of Corporate Governance and places high emphasis on business ethics. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The company has complied with the corporate governance requirements, as stipulated under clause 49 of the listing agreement and the stipulated certificate of compliance is contained in this Annual Report.

### 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 Management is highly conscious with regard to the conservation of energy at all operational levels. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipments. The requirement of disclosure of the particulars as required u/s 217 (e) of the Companies Act, 1956 read with (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 AND ASSOCIATES

#### Subsidiary

The company has M/s. Oswal Overseas Limited in UAE as wholly owned subsidiary.

#### Associate

As at March 31, 2014, Oswal Agro Mills Limited had 2 associate companies as disclosed in the accounts.

The accounting of subsidiaries, associates and joint ventures have been done in consolidated financial statements in accordance with the Relevant Accounting Standards.

### 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 namely – National Stock Exchanges of India Ltd. (NSE), Bombay Stock Exchange Ltd. (BSE), Delhi Stock Exchange Ltd (DSE), Calcutta Stock Exchange Association Ltd (CSE), Ahmedabad Stock Exchange Ltd (ASE), The Ludhiana Stock Exchange Ltd (LSE), The U.P. Stock Exchange Association Ltd (UPSE) and Madras Stock Exchange Ltd (MSE). As on date the shares of the Company are not traded in any of these Stock Exchanges i.e. DSE, CSE, ASE, LSE, UPSE and MSE because all these stock exchanges are not in operation/or working.

Company equity shares are frequently traded with Stock Exchange Mumbai, whereas the revocation matter of trading in the shares of the company is still under consideration with National Stock Exchange of India Ltd. (NSE), Mumbai.

### 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 during the year. Your Directors also wish to place on record their deep sense of appreciation for the contributions made and committed services rendered by the executives, staff members and employees of the Company at various levels, to the growth & success of the Company.

For and on behalf of the Board  
Oswal Agro Mills Limited

Place : New Delhi  
Date : 24.07.2014

**Anil Bhalla**  
Director



**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY**

Ethical Corporate Governance practices constitute the strong foundation on which commercial enterprises are built to last. Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed. It includes its corporate and other structures, its culture, policies and manner in which it deals with various stakeholders. As shareholders across the globe evince keen interest in the practices and performance of Companies, corporate governance has emerged at the centre stage of the way the corporate world functions. Accordingly the timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of Corporate Governance. Through its processes and independence of functioning, the Board of Directors of the Company provides effective leadership to the Company and its management for achieving sustained prosperity for all the stakeholders.

The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The entire governance structure is actively supervised by The Board of Directors, who oversee, management activities and ensures their effectiveness in delivering member value.

The company works with the mission of becoming a vibrant organization, where openness, trust, teamwork, simplicity, responsibility and innovation are valued and promoted.

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 is in compliance with the requirements stipulated under clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

**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, 2014 and at the last Annual General Meeting is as under:-

Name of Directors	DIN No	Designation	Status	No of Meetings Held	No of 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	NENI*	4	2	4	Nil	4	No
Sh. Anil Bhalla	00587533	Director	NENI*	4	4	5	Nil	4	No
Sh. Bhola Nath Gupta	00562338	Director	NEI**	4	4	1	Nil	3	Yes
Sh. Sunil Kumar Kulshrestha	01070854	Director	NEI**	4	3	2	Nil	2	No

NENI\* = Non Executive Non Independent      NEI\*\* = Non Executive Independent

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

During the year under review four Board meetings were held on 28/05/2013, 12/08/2013, 13/11/2013 and 14/02/2014. 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 feedback 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) Shareholders/Investors Grievance Committee/Share Transfer Committee



Oswal Agro Mills Limited

### 3. AUDIT COMMITTEE

The Constitution, functions and terms of reference of the Audit Committee are in conformity with Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement with the Stock Exchanges. Your company has an audit committee at the board level which acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

**(a) The terms of reference of the Audit Committee include:**

- (i) Oversight of the Company's financial reporting process, and disclosure of financial information, so as to ensure accuracy of information.
- (ii) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors and the fixing of audit fees.
- (iii) Approval of payment to statutory auditors for any other service rendered.
- (iv) Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement that is a part of the Directors' Report under Section 217 (2AA) of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and the reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the Management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related-party transactions; and
  - Qualifications in the draft audit report.
- (v) Reviewing with the Management the quarterly financial statements before submission to the Board for approval, performance of the statutory and internal auditors, and adequacy of internal control.
- (vi) Reviewing, the functioning of the Whistle Blower mechanism.
- (vii) Mandatorily reviewing the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related-party transactions;
  - Management letters/letters of internal control weakness issued by the statutory auditors;
  - Internal audit report relating to internal control weakness; and
  - Appointment, removal and terms of remuneration of the internal auditor(s).

**(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 four times during the year on 28/05/2013, 12/08/2013, 13/11/2013 and 14/02/2014 .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	4	2
Sh. Bhola Nath Gupta	Non-Executive Independent	4	4
Sh. Sunil Kumar Kulshrestha	Non-Executive Independent	4	3

### 4. 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, 2014, 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. 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. Bholu Nath Gupta	Non-Executive Independent	2	2

**(d) Details of Complaints**

The Company has received 19 complaints during the year ended 31.03.2014, out of which 18 complaints have been resolved till 31.03.2014 and 1 complaint was resolved in the month of April 2014.

**5. REMUNERATION COMMITTEE**

At present the Company has no whole time director/executive 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.

**6. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

For the Year	2010-11	2011-12	2012-13
AGM	31st	32nd	33rd
Date & Time	30.09.2011 at 11.30 A.M.	29.09.2012 at 11.30 A.M.	28.09.2013 at 11.30 A.M
Venue	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141 003 (Punjab)	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141 003 (Punjab)	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)
Special Resolution Passed	NIL	NIL	NIL

**7. No any Extra-Ordinary General Meeting was held nor was any resolution passed through Postal Ballot during the year under review.****8. DISCLOSURES**

- 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.
- 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 the capital markets.
- 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.
- The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- The Company has complied with all applicable accounting standards.
- The Company has a Wholly Owned Subsidiary company named 'Oswal Overseas Ltd., in UAE for pursuing various international projects.
- Board Disclosures (Risk Management) - The Company has laid down procedures to inform the Board of Directors about Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.
- Whistle Blower Policy: The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report to the management, concerns, about ethical behavior or actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further no member of staff has been denied access to the Audit Committee.

**9. 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.

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

Details of the Director(s) seeking Appointment/Re - appointment 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.

**11. 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 on [www.oswalagromills.com](http://www.oswalagromills.com)



Oswal Agro Mills Limited

**12. GENERAL SHAREHOLDERS INFORMATION**

**Annual General Meeting is propose to be held**

Date : 30<sup>th</sup> September, 2014  
 Day : Tuesday  
 Venue : Near Jain Colony, Vijayinder Nagar, Daba Road, Ludhiana - 141003 (Punjab)  
 Book Closure Date : 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days Inclusive)  
 Dividend Payment : The directors have not proposed any dividend for the financial year ended 31<sup>st</sup> March, 2014

**13. (a) FINANCIAL CALENDAR**

Un-audited Financial Results	
For the quarter ended	Tentative Dates
30.06.2014	2 <sup>nd</sup> Week of Aug, 2014
30.09.2014	2 <sup>nd</sup> Week of Nov, 2014
31.12.2014	2 <sup>nd</sup> Week of Feb, 2015
31.03.2015	2 <sup>nd</sup> Week of May, 2015/4 <sup>th</sup> Week of May, 2015.
Next Annual General Meeting	Last week of September, 2015

**b) Listing at Stock Exchanges**

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

Stock Exchange	Scrip Code
Bombay Stock Exchange Ltd.	500317
The National Stock Exchange of India Ltd.	Oswal Agro
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 2014-15 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 to other Exchanges.

**C. Stock Market Price**

The stock market price (high/low) during the financial year 2013-14 is given hereunder:

April, 2013 to March, 2014 (Month wise)	Mumbai Stock Exchange	
	HIGH	LOW
April, 2013	13.40	10.66
May, 2013	11.90	9.20
June, 2013	14.04	10.45
July, 2013	17.10	11.50
August, 2013	14.00	11.00
September, 2013	13.70	11.00
October, 2013	14.45	10.00
November, 2013	17.50	11.00
December, 2013	17.20	13.10
January, 2014	14.85	11.01
February, 2014	12.85	11.06
March, 2014	12.70	10.75

**d) Distribution of Shareholding as on 31.03.2014**

No. of Shares	No. of Shares Held	%	No. of Shareholders	%
1-500	24,930,494	18.57	209,758	93.48
501-1000	6,653,491	4.96	9,118	4.06
1001-2000	4,688,415	3.49	3,312	1.48
2001-3000	2,035,356	1.52	820	0.37
3001-4000	1,298,091	0.97	371	0.17
4001-5000	1,028,993	0.77	224	0.10
5001-10000	2,811,110	2.09	394	2.09
10001 and above	90,788,826	67.63	384	0.17
<b>TOTAL</b>	<b>134,234,776</b>	<b>100.00</b>	<b>224,391</b>	<b>100.00</b>



Oswal Agro Mills Limited

**e) SHAREHOLDING PATTERN AS ON 31.03.2014**

	<b>Category</b>	<b>No. of Shares Held</b>	<b>% of Shareholding</b>
A	Promoters and Associates	56,033,682	41.74
B	Banks, Financial Institutions and Mutual Funds	3,672,004	2.74
C	Indian Public	78,201,094	58.26
D	NRI/OCB/FII's	1,301,005	0.97
	<b>TOTAL</b>	<b>134,234,776</b>	<b>100.00</b>

**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  
Phone No. +9111-26812682 , Fax No. +9111-26812683  
E-mail: admin@skylinerta.com, Website: www.skylinerta.com

**g) Compliance Officer**

Shri R P Jolly, Company Secretary is Compliance Officer of the Company.  
Email: rpjolly@oswalfert.com, Website: www.oswalagromills.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 normally within a period of fortnight from the date of lodgment of shares, if the documents are complete in all respects and demat/remat requests received from the Depository Participants are processed within a period of fortnight 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 31.03.2014 total 100485373 numbers of Equity Shares (74.86 % 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**

**Company CIN-L15319PB1979PLC012267**

<p><b>Registered Office:</b> Oswal Agro Mills Limited Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab) Phone No. 0161- 2544313 Website: www.oswalagromills.com Email : oswal@oswalagromills.com</p>	<p><b>Head Office:</b> Oswal Agro Mills Ltd 7th Floor, Antriksh Bhawan, 22, K.G. Marg, New Delhi - 110001 Phone No. +9111-23715242 Fax No. +9111- 23716276</p>
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For and on behalf of Board  
For OSWAL AGRO MILLS LIMITED

Place : New Delhi  
Date : 24.07.2014

**Anil Bhalla**  
Director



Oswal Agro Mills Limited

**A. DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT BY THE DIRECTOR**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I Anil Bhalla, Director 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 31<sup>st</sup> March 2014.

Place :New Delhi  
Date :24.07.2014

**Anil Bhalla**  
Director

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

To

The Members “**Oswal Agro Mills Limited**”

We have reviewed the compliance of conditions of Corporate Governance of Oswal Agro Mills Limited for the year ended 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchanges in India.

We have conducted our review on the basis of the relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2014 and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges have been complied with in all respect by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi  
Date : 24.07.2014

For Lalit Chawla & Associates  
Company Secretaries

**Lalit Chawla**  
Proprietor  
ACS. 23793, CP. 8607

## Management’s Discussion and Analysis

The following Management Discussion and Analysis (MD &A) is intended to help the reader to understand the results of operation financial condition of OAML. Statement in this Management Discussion and Analysis of financial condition and Results of operations of the company describing the company’s objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forwarding looking statements are based on certain assumptions and expectations of future events. Oswal Agro Mills has been at the forefront of adopting world class operational practices and promoting responsible infrastructure development in India.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those in the statement. The financial statements are prepared under historical cost conversion on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and notes to these statements included in the Annual Report. MD & A is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying Notes to Financial statements.

**OVERVIEW:**

During the year company was mainly engaged in investment activities and has earned income from interest only and no activities in Real State Sector were undertaken by the company. The year under review was a challenging year.

**SEGMENTWISE PERFORMANCE:**

During the year-ended 31st March 2014 the company was operating under the business of Real Estate and investing activities and Trading as separate business segments. Details of segment wise revenue, results and capital employed are given in note no. 2.32 Notes on Accounts, forming part of the Annual Report.



Oswal Agro Mills Limited

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

#### **DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company firmly believes that its greatest strength lies in the quality of its people and that its "people philosophy" gives it a competitive edge. The Company believes that the human resources are vital in giving the Company a competitive edge in the current business environment. The Company philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. The relation with employees remains cordial throughout the year.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has an effective Internal Control System which duly commensurate with its size and nature of business. The system fully provides and ensures that all the transactions are properly authorized, recorded and reported correctly. The Management continuously reviews the system to carry out various operations of the company transparently, effectively and efficiently with due protection for the Company's Assets. The system also ensures due compliance with all the applicable laws of the acts and statutory regulations as applicable to the Company from time to time.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Before the commencement of Corporate Social Responsibility (CSR), being a part of Companies Act, the Company is already investing the good amount in the welfare or development of society from the long time. Over the years, the company management are expanding the huge amount in social development and paying attention to the needs of various charitable institutions, who are involved in the welfare of society in India & Abroad. The company has continuously contributed funds to hospital/educational development programmes and actively helped in establishing Schools, Hospitals etc. Company also running a senior secondary school, a hospital having treatment of various diseases, specifically of cancer.

CSR and Sustainability is a company commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

#### **RISKS & CONCERNS:**

The company is exposed to specific risks that are particulars to its businesses and the environment with which it operates including inter alia material risk, competition risk, interest rate volatility, human resources risk, execution risk and any significant downturn in the economic cycle. It is the endeavor of the management that the profitability of the Company is insulated to the extent possible from all the above risks by taking appropriate steps for mitigating the risks in a proper manner.

#### **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 report on Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations or predictions may be "forward looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.



Oswal Agro Mills Limited

## INDEPENDENT AUDITORS' REPORT

To the Members of Oswal Agro Mills Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Oswal Agro Mills Limited** ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March, 2014, and the statement of profit and loss and cash flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the statement of profit and loss, of the Profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956 of India (the 'Act') and on the basis of such checks of 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 as statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. On the basis of the written representations received from the directors, as at 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.

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

**(Aashish Gupta)**  
Partner

Membership Number: 097343

Place : New Delhi  
Date : 30<sup>th</sup> May, 2014

## ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (2) of Report on Other Legal and Regulatory Requirements of even date to shareholders of **OSWAL AGRO MILLS LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2014

- I.
  - a) The Company has maintained proper records other than plant & machinery and furniture & fixtures for closed units, 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 plant & machinery and furniture & fixtures for closed units, 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) As explained to us, the inventories were physically verified during the year by the management at the reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us, 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.





**Oswal Agro Mills Limited**

- c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. No material discrepancy has been noticed on physical verification of inventory as compared to book records.
- III. According to the information and explanation given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the 'Act'. Accordingly, the provisions of clause 4 (iii) of the Order are not applicable to the Company.
- 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 and services. 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 and 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. In our opinion and according to the information an explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the Rules framed there under are applicable.
- 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 provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there are no material dues of income tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute. However according to the information and explanations given to us, the following dues of sales tax and excise duty have not been deposited by the Company on account of a dispute:

Name of Statute	Nature of Dues	Amount (₹ in thousand)	Period to which the amount relates	Forum where the Dispute is pending
Punjab General Sales Tax Act 1948 (PGST)	VAT	1,422.73	1999 to 2000	Pending before Punjab VAT Tribunal

- X. The accumulated losses of the company as at March 31, 2014 are not more than fifty percent of its net worth. The company has not incurred cash losses during the current financial year and has incurred cash losses in the immediately preceding financial year.
- XI. According to the information and explanation given to us, the company does not have any loan from any financial institution and has not issued any debentures. Accordingly the provisions of the clause 4 (xi) of the order are not applicable to the Company.
- XII. In our opinion, and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of the clause 4 (xii) of the order are not applicable to the Company.
- XIII. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the Company.
- XIV. The company has not traded in shares, securities, debentures and other investments during the year. However, the company is maintaining separate records of the transactions and contracts for the shares held as stock in trade 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. Therefore, the provisions of clause 4 (xv) of the order are not applicable to the Company.
- XVI. According to the information and explanation given to us, the Company has not obtained any term loan during the year. Therefore, the provisions of clause 4 (xvi) of the order are not applicable to the Company.
- 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. According to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the 'Act' during the year.
- XIX. According to information and explanations given to us, the Company has not issued any debenture during the year and accordingly, no securities have been created.
- XX. According to information and explanations given to us, the Company has not raised any money by public issues during the year.
- XXI. According to 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.**  
Chartered Accountants  
(Firm Registration No. 006711N)  
**(Ashish Gupta)**  
Partner  
Membership No. 097343

Place : New Delhi  
Date : 30<sup>th</sup> May, 2014



Oswal Agro Mills Limited

**BALANCE SHEET AS AT 31ST MARCH 2014**

(₹ in thousand)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2.1	1,342,347.76	1,342,347.76
(b) Reserves and surplus	2.2	4,150,075.76	4,022,327.20
		<b>5,492,423.52</b>	<b>5,364,674.96</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net)	2.3	–	–
(b) Other Long term liabilities	2.4	–	10,097.25
(c) Long-term provisions	2.5	186.27	368.99
		<b>186.27</b>	<b>10,466.24</b>
<b>(3) Current liabilities</b>			
(a) Trade payables	2.6	–	105,972.00
(b) Other current liabilities	2.7	12,727.67	3,287.13
(c) Short-term provisions	2.8	3,005.62	460.21
		<b>15,733.29</b>	<b>109,719.34</b>
<b>Total</b>		<b>5,508,343.08</b>	<b>5,484,860.54</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.9		
(i) Tangible Assets		77,248.18	78,676.16
(b) Non-current investments	2.10	2,781,878.74	2,830,316.24
(c) Long-term loans and advances	2.11	124,972.04	841,897.63
		<b>2,984,098.96</b>	<b>3,750,890.03</b>
<b>(2) Current assets</b>			
(a) Current Investment	2.12	1,397,889.15	530,000.00
(b) Inventories	2.13	207,403.70	207,403.70
(c) Trade Receivables	2.14	64,135.00	244,135.00
(d) Cash and bank balances	2.15	92,603.83	390,236.95
(e) Short-term loans and advances	2.16	737,932.20	326,118.21
(f) Other current assets	2.17	24,280.24	36,076.65
		<b>2,524,244.12</b>	<b>1,733,970.51</b>
<b>Total</b>		<b>5,508,343.08</b>	<b>5,484,860.54</b>
<b>III. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>			
	1 & 2		

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



Oswal Agro Mills Limited

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in thousand)

Particulars	Note No.	For The Year Ended 31.03.2014	For The Year Ended 31.03.2013
<b>I. Revenue from operations</b>	2.18	115,935.62	459,146.48
<b>II. Other income</b>	2.19	80,106.59	14,388.54
<b>III. Total Revenue (I + II)</b>		<b>196,042.21</b>	<b>473,535.02</b>
<b>IV. Expenses:</b>			
Purchase of stock-in-trade	2.20	–	244,000.00
Changes in inventories of Stock-in-Trade	2.21	–	–
Employee benefits expense	2.22	3,793.74	3,284.23
Finance costs	2.23	736.35	2.87
Depreciation and amortization expense	2.9	1,645.75	1,270.98
Other expenses	2.24	25,302.71	34,583.66
<b>Total expenses</b>		<b>31,478.55</b>	<b>283,141.74</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>164,563.66</b>	<b>190,393.28</b>
<b>VI. Exceptional Items</b>	2.25	–	<b>268,162.04</b>
<b>VII. Prior Period Adjustments</b>	2.26	<b>3,418.10</b>	–
<b>VIII. Profit before tax (V- VI-VII)</b>		<b>161,145.56</b>	<b>(77,768.76)</b>
<b>IX. Tax expense:</b>	2.27		
–Current tax (MAT)		33,397.00	–
<b>X. Profit/(Loss) for the period after Tax (VIII-IX)</b>		<b>127,748.56</b>	<b>(77,768.76)</b>
Earning per Equity Share (Nominal Value of ₹10 each)			
Basic/Diluted (in ₹)	2.30	0.95	(0.58)
<b>XI. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1 & 2		

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

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CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



Oswal Agro Mills Limited

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ In thousand)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before exceptional items and tax</b>	<b>164,563.66</b>	<b>190,393.28</b>
Adjustments for:		
Depreciation	1,645.75	1,270.98
Finance Expense	736.35	2.87
Interest Income	(120,629.06)	(217,803.18)
Income on sale of Units of Mutual Fund	(75,289.15)	(11,467.84)
Provision for diminution in investment	-	16,962.04
Provision for Gratuity & Leave Encashment	196.97	28.94
Wealth Tax Provision	203.40	210.40
<b>Operating profit before working capital changes and exceptional items and tax</b>	<b>(28,572.08)</b>	<b>(20,402.51)</b>
<b>Adjustments for changes in working capital:</b>		
a) Increase/(Decrease) in Trade Payable, other current liabilities & provisions	(106,628.70)	(142,114.60)
b) (Increase)/Decrease in Trade Receivable, Loans & advances & other receivables	477,186.01	1,210,790.64
<b>Cash generated from operations before exceptional items and tax</b>	<b>341,985.23</b>	<b>1,048,273.53</b>
- Prior Period (Expenses)/Income (Net)	(3,418.10)	-
- Exceptional Items	-	(268,162.04)
- Wealth Tax Paid	(210.40)	(217.69)
- Taxes (Payment)/Refund	(24,032.69)	(21,779.34)
<b>Net cash from operating activities</b>	<b>314,324.04</b>	<b>758,114.46</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(217.77)	(2,204.24)
(Purchase)/Sale of Long-term investments (Net)	48,437.50	(150,000.00)
(Purchase)/Sale of Current investments (Net)	(867,889.15)	(527,296.43)
(Purchase)/Sale of Fixed Deposits	(2,393.61)	(6,566.48)
Interest Received (Revenue)	132,425.47	204,035.63
Income on sale of Units of Mutual Fund	75,289.15	11,467.84
<b>Net cash (used in) investing activities</b>	<b>(614,348.41)</b>	<b>(470,563.68)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Paid	(2.35)	(2.87)
<b>Net cash generated from/(used) in financing activities</b>	<b>(2.35)</b>	<b>(2.87)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>(300,026.72)</b>	<b>287,547.91</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>357,839.55</b>	<b>70,291.64</b>
<b>Cash and cash equivalents at the close of the year</b>	<b>57,812.83</b>	<b>357,839.55</b>

**IV. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Notes No. 1 & 2

**Notes :**

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention on an accrual basis of accounting unless otherwise stated, and in accordance with the generally accepted accounting principles and accounting standards notified under the companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and all the other relevant provisions of the Companies Act, 1956 and Companies Act, 2013 in force.

#### B. Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment.

#### C. 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.

#### D. Fixed Assets and depreciation

##### Tangible Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes all incidental expenditure net of MODVAT/CENVAT wherever applicable.

##### Intangible Assets

Computer Software's are capitalised and depreciated on an estimated useful life of three years.

##### Depreciation

- (a) Depreciation on tangible assets is provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.
- (b) Lease hold lands are amortised over period of lease.

#### E. Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the 'net selling price' of assets and their 'value in use'.

#### F. Inventories

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

#### G. Recognition of Income & Expenditure

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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.

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.

In case of Plots/Flats, sales are recognized on transfer of significant risks and rewards of ownership to the buyer.

#### H. 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 recognized 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 recognized at the amount expected to be paid for it.



Oswal Agro Mills Limited

**NOTES (Contd...)**

**I. 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.

**J. Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to considerations of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**K. 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.

**L. Leases**

Operating Lease payments are recognized as expenses in the Statement of Profit and Loss as per terms of the lease agreement.

**M. Contingent Liabilities**

Contingent liabilities not provided for in the accounts are separately disclosed in the "Notes forming part of the financial statements".

**N. 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.

**2. NOTES**

(₹ In thousand)

<b>2.1 SHARE CAPITAL</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
<b>Authorized:</b>		
300,000,000 (Previous Year 300,000,000) Equity Shares of ₹ 10/- each	3,000,000.00	3,000,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹ 100/- each	1,000,000.00	1,000,000.00
<b>Total</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>
<b>Issued, Subscribed and fully paid-up:</b>		
134,234,776 (Previous Year 134,234,776) Equity Shares of ₹ 10/- each fully paid up	1,342,347.76	1,342,347.76
<b>Total</b>	<b>1,342,347.76</b>	<b>1,342,347.76</b>

**(a) The reconciliation of the number of shares outstanding is set out below:**

<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Opening Balance	134,234,776	134,234,776
Issued during the year	-	-
Shares redeemed during the year	-	-
Closing Balance	134,234,776	134,234,776

**(b) Number of shares held by each shareholder holding more than 5 percent of the issued share capital:**

<b>Particulars</b>	<b>As at 31.03.2014</b>		<b>As at 31.03.2013</b>	
	<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>
<b>List of Shareholders – 5 % &amp; Above</b>				
- Abhey Kumar Oswal (Director)	53,530,960	39.88%	53,530,960	39.88%

**(c) Rights, preference and restrictions attached to shares:**

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES (Contd...)

(₹ In thousand)

2.2 RESERVES AND SURPLUS	As at 31.03.2014	As at 31.03.2013
Securities Premium Reserve		
As per last Balance Sheet	4,464,882.64	4,464,882.64
Capital Reserve		
As per last Balance Sheet	1,500.00	1,500.00
General Reserve		
As per last Balance Sheet	318,976.09	318,976.09
Profit and Loss Account		
As per last Balance Sheet	(763,031.53)	(685,262.77)
Add: Profit/(Loss) for the year	127,748.56	(77,768.76)
<b>Total</b>	<b>4,150,075.76</b>	<b>4,022,327.20</b>
<b>2.3 DEFFERED TAX LAIBILITY (NET)</b>		
<b>Fixed Assets (DTL)</b>		
Opening Balance	9,075.44	8,872.59
For the year	629.81	202.85
Closing Balance	9,705.25	9,075.44
<b>Disallowance U/S 43 B and Gratuity (DTA)</b>		
Opening Balance	194.63	185.24
For the year	82.65	9.39
Closing Balance	277.28	194.63
<b>Losses Carried Forward (DTA)</b>		
Opening Balance	8,880.81	8,687.35
For the year	547.16	193.46
Closing Balance	9,427.97	8,880.81
<b>Total</b>	<b>-</b>	<b>-</b>
No deferred tax asset on brought forward losses and unabsorbed depreciation, in excess of deferred tax liability has been recognized on conservative basis in the absence of virtual certainty of availability of sufficient future taxable income as at 31.03.2014.		
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Other Liability	-	10,097.25
<b>Total</b>	<b>-</b>	<b>10,097.25</b>
<b>2.5 LONG-TERM PROVISIONS</b>		
Employee Benefits (Refer Note No. 2.22)	186.27	368.99
<b>Total</b>	<b>186.27</b>	<b>368.99</b>
<b>2.6 TRADE PAYABLES</b>		
Others	-	105,972.00
<b>Total</b>	<b>-</b>	<b>105,972.00</b>
Based on the information available with the Company, there are no dues as at March 31, 2014 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.		
<b>2.7 OTHER CURRENT LIABILITIES</b>		
Duties & Taxes Payable	353.66	683.43
Other Liabilities*	12,374.01	2,603.70
<b>Total</b>	<b>12,727.67</b>	<b>3,287.13</b>
* includes amount payable to related party ₹ 10,501.01 thousand (Previous Year ₹ 10,097.25 thousand)		
<b>2.8 SHORT-TERM PROVISIONS</b>		
Provision for Employee benefits (Refer Note No. 2.22)	629.50	249.81
Provision for Income Tax*	2,172.72	-
Provision for Wealth Tax	203.40	210.40
<b>Total</b>	<b>3,005.62</b>	<b>460.21</b>

\* Net of Advance Tax ₹ 20,055 thousand (Previous year ₹ Nil) and TDS Recoverable of ₹ 11,903.28 thousand (Previous year ₹ Nil)



Oswal Agro Mills Limited

NOTES (Contd...)

NOTE - 2.9 FIXED ASSETS

(₹ In thousand)

Particulars	Gross Block			Depreciation				Net Block		
	As At 1.04.2013	Additions During The Year	Sale/ Adjustments During The Year	As At 31.03.2014	Upto 1.04.2013	For The Year	Written Back/ Adjustments During The Year	Up to 31.03.2014	As At 31.03.2014	As At 31.03.2013
<b>(I) Tangible Assets</b>										
Land										
- Leasehold	3,525.54	-	-	3,525.54	758.67	37.10	-	795.77	2,729.77	2,766.87
- Freehold	11,356.80	-	-	11,356.80	-	-	-	-	11,356.80	11,356.80
Buildings										
- Freehold	86,104.96	217.77	-	86,322.73	23,190.08	1,429.51	-	24,619.59	61,703.14	62,914.88
Plant & Machinery	1,124.43	-	-	1,124.43	517.19	53.41	-	570.60	553.83	607.24
Furniture & Fixture	4,234.73	-	-	4,234.73	4,234.73	-	-	4,234.73	-	-
Vehicles	3,551.47	-	-	3,551.47	2,521.10	125.73	-	2,646.83	904.64	1,030.37
<b>Total (I)</b>	<b>109,897.93</b>	<b>217.77</b>	<b>-</b>	<b>110,115.70</b>	<b>31,221.77</b>	<b>1,645.75</b>	<b>-</b>	<b>32,867.52</b>	<b>77,248.18</b>	<b>78,676.16</b>
<b>Previous Year</b>	<b>86,921.19</b>	<b>22,976.74</b>	<b>-</b>	<b>109,897.93</b>	<b>29,950.79</b>	<b>1,270.98</b>	<b>-</b>	<b>31,221.77</b>	<b>78,676.16</b>	

Note:

As per internal assessment of the company, there is no asset requiring provision for asset impairment as on 31.03.2014 as per AS-28 on "Impairment of Asset".

2.10 NON-CURRENT INVESTMENTS

As at 31.03.2014

As at 31.03.2013

(i) Investment in Equity Instruments

(a) Wholly Owned Subsidiary - (UNQUOTED, NON TRADE, AT COST)

- Oswal Overseas Limited 26,068 Equity Shares (Previous Year 26,068) of AED 100/- each	32,308.65	32,308.65
Less : Provision for diminution in value of investments <sup>#</sup>	(16,962.04)	(16,962.04)
	<u>15,346.61</u>	<u>15,346.61</u>

(b) Associated Company - (QUOTED, NON TRADE, AT COST)

- Oswal Greentech Limited (formerly known as Oswal Chemicals & Fertilizers Limited)* 91,384,203 Equity Shares (Previous year 91,384,203) fully paid up of ₹ 10/- each	2,375,808.28	2,375,808.28
--	--------------	--------------

(c) Associated Company - (UNQUOTED, NON TRADE, AT COST)

- News Nation Network Private Limited (formerly known as Alpha Dealcom Private Limited) 16,440,000 Equity Shares (Previous Year 15,000,000) of ₹ 10/- each	164,400.00	-
---	------------	---

(d) Other Companies - (UNQUOTED, NON TRADE, AT COST)

- P C Media Systems Limited 12,036,500 Equity Shares (Previous Year 12,036,500) of ₹ 10/- each	290,419.31	290,419.31
Less : Provision for diminution in value of investments <sup>#</sup>	(171,257.96)	(171,257.96)
	<u>119,161.35</u>	<u>119,161.35</u>

- Superior Portfolio (P) Limited 1,910 Equity Shares (Previous Year 4,000) of ₹ 1000/- each	7,162.50	15,000.00
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- News Nation Network Private Limited (formerly known as Alpha Dealcom Private Limited) 16,440,000 Equity Shares (Previous Year 15,000,000) of ₹ 10/- each	-	150,000.00
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(ii) Investment in Debentures - (UNQUOTED, NON TRADE, AT COST)\*\*

- Freedom Technobuild Private Limited Nil (Previous Year 55,000) 0% Optionally Convertible Debentures of ₹ 1,000/- each	-	55,000.00
- Infotel Business Solutions Limited 10,000,000 (Previous Year 10,000,000) 0% Optionally Convertible Debentures of ₹ 10/- each	100,000.00	100,000.00

<b>Total</b>	<b><u>2,781,878.74</u></b>	<b><u>2,830,316.24</u></b>
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Aggregate Market Value of Quoted Investments*	2,211,497.71	1,768,284.33
---	--------------	--------------

Aggregate Cost of Quoted Investments	2,375,808.28	2,375,808.28
--------------------------------------	--------------	--------------

Aggregate Cost of Un-quoted Investments	594,290.46	642,727.96
---	------------	------------

Aggregate provision for diminution in value of investments <sup>#</sup>	188,220.00	188,220.00
---	------------	------------

\* In the opinion of the management, diminution in value of long term Investment in Associate companies, M/s Oswal Greentech Limited and M/s News Nation Network Pvt. Ltd., is not permanent in nature. Hence, no provision for the same has been provided during the year ended 31.03.2014.

\*\* Redeemable or convertible into equity shares on or after 31-12-2015 i.e. after 5 years from the date of allotment but before 30-12-2025 i.e. 15 years from the date of issue.

<sup>#</sup> ₹ 171,257.96 thousand in respect of investment made in M/s P C Media Systems Ltd. These equity shares has been valued at ₹9.90 per share in accordance with net worth of the company. Provision has been made by difference amount of cost and book value of the shares and ₹16,962.04 thousand in respect of investment in Oswal Overseas Limited (Wholly owned subsidiary), based upon the proportionate erosion of share capital.





## NOTES (Contd...)

	(₹ In thousand)	
	As at 31.03.2014	As at 31.03.2013
<b>2.11 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Security Deposits	1,601.09	1,601.09
Advance to suppliers	–	108,000.00
Loan to body corporate	57,500.00	658,500.00
Income Tax Advances (net)	65,870.95	73,796.54
<b>Total</b>	<b>124,972.04</b>	<b>841,897.63</b>
<b>2.12 CURRENT INVESTMENT(Quoted, Non-trade, at cost)</b>		
Investment in Mutual Funds	1,397,889.15	530,000.00
602,247.64 Units (Previous Year 249,301.54 Units) of LIC Mutual Fund Saving Plus Fund		
<b>Total</b>	<b>1,397,889.15</b>	<b>530,000.00</b>
Aggregate Market Value of Quoted Investments	1,401,308.60	530,534.50
Aggregate Cost of Quoted Investments	1,397,889.15	530,000.00
<b>2.13 INVENTORIES</b>		
LAND*	183,495.20	183,495.20
(Cost or net realizable value, whichever is lower)		
STOCK IN TRADE (Equity Shares)	23,908.50	23,908.50
(Cost or net realizable value, whichever is lower)		
<b>Total</b>	<b>207,403.70</b>	<b>207,403.70</b>
<b>Note:</b>		
* Converted from fixed assets.		
* The company entered into an agreement with Oswal Greentech Limited (“OGL”) for the purpose of development of the commercial cum residential project at Chembur Land in Mumbai . In accordance with the agreement, the company has to contribute its land and OGL is required to incur all the development expenses of the project with the understanding to share the ownership of the Chembur project in an agreed ratio. The construction/development of the project was stayed by the Hon’ble Supreme Court of India vide order dated 10.12.2013 stating that the same land can be used for the purpose of Agro Industry or any other permissible industry under the current regulations. The management is exploring the possibilities to use the land in question as per the permissible regulations.		
<b>2.14 TRADE RECEIVABLES (Unsecured, considered good)</b>		
Outstanding exceeding six months from due date	–	–
Others	64,135.00	244,135.00
<b>Total</b>	<b>64,135.00</b>	<b>244,135.00</b>
<b>2.15 CASH AND BANK BALANCES</b>		
<b>A Cash and cash equivalents</b>		
Balances with banks		
–in Current Account	1,573.07	1,599.79
Cash in hand	2.26	2.26
Cheques in hand	56,237.50	356,237.50
<b>Total (A)</b>	<b>57,812.83</b>	<b>357,839.55</b>
<b>B Other bank balances</b>		
–in Fixed Deposits (For Margin Money)*	34,791.00	32,397.40
<b>Total (B)</b>	<b>34,791.00</b>	<b>32,397.40</b>
<b>Total (A+B)</b>	<b>92,603.83</b>	<b>390,236.95</b>
* Fixed Deposits are pledged as security with/against Government Department/loans/Bank Deposits		
<b>2.16 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Loans to body corporate	730,000.00	310,000.00
Security Deposits	–	15,000.00
Other advances*	7,932.20	1,118.21
<b>Total</b>	<b>737,932.20</b>	<b>326,118.21</b>
* includes amount receivable from related party ₹53.05 thousand (Previous Year ₹198.22 thousand)		
<b>2.17 OTHER CURRENT ASSETS</b>		
Interest receivable	24,280.24	36,076.65
<b>Total</b>	<b>24,280.24</b>	<b>36,076.65</b>



Oswal Agro Mills Limited

**NOTES (Contd...)**

	(₹ In thousand)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>2.18 REVENUE FROM OPERATIONS</b>		
Sale of Land	-	244,135.00
<b>Other Operating Revenue</b>		
Interest on ICD	115,935.62	215,011.48
<b>Total</b>	<b>115,935.62</b>	<b>459,146.48</b>
<b>2.19 OTHER INCOME</b>		
Profit/(Loss) on Trading of Shares/Mutual Fund	75,289.15	11,467.84
Interest Income	4,693.44	2,791.70
Rental Income	120.00	120.00
Misc. Income	4.00	9.00
<b>Total</b>	<b>80,106.59</b>	<b>14,388.54</b>
<b>2.20 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Land	-	244,000.00
<b>Total</b>	<b>-</b>	<b>244,000.00</b>
<b>2.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing Stock in trade	23,908.50	23,908.50
Closing Stock of Land	183,495.20	183,495.20
Less: Opening Stock in trade	(23,908.50)	(23,908.50)
Less: Opening Stock of Land	(183,495.20)	(183,495.20)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>2.22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	2,440.16	1,993.52
Contribution to provident and other funds	148.62	126.41
Staff welfare expenses	1,204.96	1,164.30
<b>Total</b>	<b>3,793.74</b>	<b>3,284.23</b>

**Employee Benefits**

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:-

**a) Defined Contribution Plans**

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

Employer's contribution to Employees' Provident Fund including family pension fund ₹129.53 thousand (Previous Year ₹108.31 thousand)

**b) Defined Benefit Plans**

(i) Valuation in respect of gratuity/earned leave has been carried out by independent actuary, as at the Balance date, based on the following assumption:

Particulars	(₹ In thousand)			
	Earned Leave (Unfunded) 31.03.2014	Earned Leave (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2014	Gratuity (Unfunded) 31.03.2013
Discounting Rate	8.50%	8.00%	8.50%	8.00%
Future salary Increase	6.00%	5.50%	6.00%	5.50%
Expected Rate of return on plan assets	NA	NA	NA	NA
Expected Average remaining working lives of employees in number of years	2.66	(0.79)	2.66	(0.79)
<b>(ii) The amounts recognized in the balance sheet are as follows :</b>				
Present value of obligation	26.81	18.94	788.96	599.86
Fair value of plan assets	-	-	-	-
Net asset/(liability) recognized in balance sheet	(26.81)	(18.94)	(788.96)	(599.86)



## NOTES (Contd...)

(₹ In thousand)

Particulars	Earned Leave (Unfunded) 31.03.2014	Earned Leave (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2014	Gratuity (Unfunded) 31.03.2013
<b>(iii) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
Present value of obligation as at the beginning of the year	18.94	20.14	599.86	569.72
Interest cost	1.52	1.61	47.99	45.58
Current service cost	1.91	0.72	30.75	22.40
Benefits Paid	(22.50)	(19.29)	-	-
Actuarial (gain)/loss on obligation	26.94	15.75	110.36	(37.83)
Present value of obligation as at the end of year	26.81	18.94	788.96	599.86
- Expected to due in 12 months (Short-term provision)	20.13	15.23	609.37	234.58
- Expected to due after 12 months (Long-term provision)	6.68	3.71	179.59	365.28
<b>(iv) The amount recognized in the Statement of Profit &amp; Loss is as follows :</b>				
Current service cost	1.91	0.72	30.75	22.40
Interest cost	1.52	1.61	47.99	45.58
Net actuarial (gain)/ loss recognized in the year	26.94	15.75	110.36	(37.83)
Amount apportioned from a group company	(36.85)	14.01	72.80	13.60
Expenses recognized in the statement of profit & loss	(6.48)	32.09	261.90	43.74

(₹ In thousand)

## 2.23 FINANCE COST

	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest others	736.35	2.87
<b>Total</b>	<b>736.35</b>	<b>2.87</b>

## 2.24 OTHER EXPENSES

	For the year ended 31.03.2014	For the year ended 31.03.2013
Rent	814.23	5,877.61
Rates And Taxes	7,417.13	289.96
Listing Fees	356.74	1,012.29
Printing & Stationery	1,508.83	1,482.23
Postage & Telegram	1,755.66	1,805.22
Consultation & Professional Fee	8,970.10	18,630.68
Repairs & Maintenance :		
Building	37.38	196.76
Others	147.78	66.13
Payment to Auditor (refer note 2.29)	1,338.77	1,244.14
Other expenses	2,956.09	3,978.64
<b>Total</b>	<b>25,302.71</b>	<b>34,583.66</b>

## 2.25 EXCEPTIONAL ITEMS

	For the year ended 31.03.2014	For the year ended 31.03.2013
Provision for diminution in investment *	-	16,962.04
Loss on real estate activities**	-	250,000.00
Compensation against legal case	-	1,200.00
<b>Total</b>	<b>-</b>	<b>268,162.04</b>

\* Provision has been made during the year of ₹ Nil (Previous year ₹ 16,962.04 thousand) in respect of investment in Oswal Overseas Limited (Wholly owned subsidiary), based upon the proportionate erosion of share capital.

\*\* The Company has terminated an agreement for sale of area, being developed under joint agreement with Oswal Greentech Limited, in view of the judgment of the Hon'ble High Court of Bombay for staying the development work. Due to the termination it has suffered a loss of ₹ Nil (Previous year ₹ 250,000 thousand).



Oswal Agro Mills Limited

**NOTES (Contd...)**

(₹ In thousand)

2.26 PRIOR PERIOD ADJUSTMENT (NET)	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>Expenses</b>		
Consultation & Professional Fee	3,418.10	-
<b>Total (Net)</b>	<b>3,418.10</b>	<b>-</b>
<b>2.27 TAX EXPENSES</b>		
<b>Current Tax</b>		
Income Tax (MAT)	33,397.00	-
<b>Total</b>	<b>33,397.00</b>	<b>-</b>

2.28 Contingent Liabilities not provided for in respect of :	As at 31.03.2014	As at 31.03.2013
a) Claims against the company not acknowledged as debts	34,066.71	38,404.53
b) Other money for which the company is contingently liable	6,890.26	1,422.73

**2.29 Payment to Auditor\* (Refer Note - 2.24)**

Particulars	Current Year	Previous Year
Statutory Audit	1,123.60	1,057.06
Taxation matters	-	168.54
Certification work	18.54	18.54
Company Law Matters	196.63	-
<b>Total</b>	<b>1,338.77</b>	<b>1,244.14</b>

\* including of service tax

**2.30 EARNING PER EQUITY SHARE - (AS-20)**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Current Year	Previous Year
Profit/(Loss) attributable to equity shareholders (A) (₹ in thousand)	127,748.56	(77,768.76)
Basic/Diluted Weighted Average of equity shares outstanding during the year (B)	134,234,776	134,234,776
Basic/Diluted earnings per share (₹) (A)/(B)	0.95	(0.58)
Face Value of equity shares (₹)	10	10

**2.31 RELATED PARTY DISCLOSURES - (AS- 18)**

(I) **Related parties and transactions with them as identified by the management are given below:**

(a) **Enterprises over which major shareholders, key management personnel and their relatives have significant influence**

- Oswal Greentech Limited
- Lucky Star Entertainment Limited
- Aruna Abhey Oswal Trust
- Oswal Woolen Mills Ltd.

(b) **Enterprises over which company has significant influence:**

- News Nations Networks Private Limited

(c) **Enterprises controlled by the Company**

- Oswal Overseas Limited, Dubai, UAE (wholly owned subsidiary company)
- Oswal Brasil Refinaria de Petroleo, Brazil (Step down subsidiary)

(d) **Directors, Key Management Personnel and their relatives**

- Mr. Abhey Kumar Oswal, Director
- Mr. Atul Kulshrestha (Brother of Mr. Sunil Kumar Kulshrestha, Director)\*
- Mr. Rajinder Pal Jolly, CS and CFO\*

\*w.e.f 12th September, 2013 as per Companies Act, 2013

## NOTES (Contd...)

### (II) Transactions with Related Parties in the ordinary course of business:

(₹ In thousand)

Particulars	Description	Current Year	Previous Year
<b>(a) Enterprises over which major shareholders, key Management Personnel and their relatives have significant influence:</b>			
Oswal Greentech Limited (Associate)	<b>Transactions during the year:</b> Rent Received Reimbursement of Payments made by Enterprise on behalf of the company Their share of common expenses transferred from the enterprise Advance received Advance repaid Advance given Advance received back <b>Balances outstanding at year end:</b> Receivable (common expenses) Investment	120.00 52.15 3,720.02 2,500.00 2,500.00 1,284,200.00 1,284,200.00 53.05 2,375,808.28	120.00 53.65 3,340.52 458,500.00 458,500.00 40,000.00 40,000.00 198.22 2,375,808.28
Oswal Woollen Mills Ltd.	Balances outstanding at year end: Other Liability	10,097.25	10,097.25
<b>(b) Enterprises over which company has significant influence:</b>			
News Nations Networks Private Limited (Associate)#	<b>Transactions during the year :</b> Investment made <b>Balances outstanding at year end:</b> -Investment	14,400.00 164,400.00	– –
<b>(c) Enterprises controlled by the Company:</b>			
Oswal Overseas Limited, Dubai (Wholly Owned Subsidiary)	<b>Transactions during the year:</b> Provision for diminution in value of investment <b>Balances outstanding at year end:</b> -Investments	– 32,308.65	16,962.04 32,308.65
<b>(d) Directors, Key Management Personnel and their relatives:</b>			
Atul Kulshrestha*	<b>Transactions during the year:</b> Consultation Services (Inclusive of Service Tax) Out of Pocket Expenses- Reimbursement <b>Balances outstanding at year end:</b> Payable against consultation services and reimbursement	2,604.83 37.03 388.76	– – –
Rajinder Pal Jolly*	<b>Transactions during the year:</b> Salary Ex-Gratia <b>Balances outstanding at year end:</b> Salary Payable	99.50 45.00 15.00	– – –

\*Transactions entered into on and after 12th September, 2013 are considered for the disclosure in accordance with Companies Act, 2013.

# Associate Company in pursuance of the Companies Act, 2013.



Oswal Agro Mills Limited

**NOTES (Contd...)**

**2.32 SEGMENT - (AS-17)**

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

- (i) Investment Activities
- (ii) Real Estate
- (iii) Trading

(₹ In thousand)

S No.	Particulars	Current Year	Previous Year
<b>(a)</b>	<b>Segment Revenue</b>		
	Investment Activities	191,224.77	226,479.32
	Trading	–	–
	Real Estate	–	244,135.00
	Unallocated	4,817.44	2,920.70
	<b>Total Segment Revenue</b>	<b>196,042.21</b>	<b>473,535.02</b>
<b>(b)</b>	<b>Segment Result</b>		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	188,367.86	206,401.50
	Trading	–	–
	Real Estate	(1,181.52)	(273,380.26)
	Unallocated	(25,304.43)	(10,787.13)
	Less : Interest & Finance Charges	736.35	2.87
	<b>Profit from Ordinary Activities before Tax</b>	<b>161,145.56</b>	<b>(77,768.76)</b>
	Less : Provision for Current Tax	33,397.00	–
	<b>Profit from Ordinary Activities after Tax</b>	<b>127,748.56</b>	<b>(77,768.76)</b>
<b>(c)</b>	<b>Segment Assets</b>		
	Investment Activities	5,056,224.73	4,721,767.77
	Trading	23,908.50	23,908.50
	Real Estate	248,098.26	536,099.28
	Unallocated	180,111.59	203,084.99
	<b>Total Assets</b>	<b>5,508,343.08</b>	<b>5,484,860.54</b>
<b>(d)</b>	<b>Segment Liabilities</b>		
	Investment Activities	23.35	661.95
	Trading	–	–
	Real Estate	5.84	106,137.49
	Unallocated	15,890.37	13,386.14
	<b>Total Liabilities</b>	<b>15,919.56</b>	<b>120,185.58</b>
<b>(e)</b>	<b>Other Information</b>		
	Capital expenditure (Unallocable)	217.77	2,204.24
	Depreciation and amortisation (Unallocable)	1,645.75	1,270.98



Oswal Agro Mills Limited

## NOTES (Contd...)

2.33 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 thousand)
<b>Investment</b>	AED	2,606,800	32,308.65
– Equity Shares		(2,606,800)	(32,308.65)

\* Previous year figures are given in bracket

## 2.34 OTHER NOTES:

- (i) Employee benefits expenses (Notes - 2.22) and Other expenses (Notes-2.24) includes ₹3,720.02 thousand (Previous Year ₹3,340.52 thousand) being apportioned expenses incurred by a group company on behalf of this company.
- (ii) In the opinion of the management, all current assets and loan & advances as on 31st March, 2014 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (iii) Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

**For and on behalf of Board**  
OSWAL AGRO MILLS LIMITED

**Aashish Gupta**  
Partner  
Membership No. 097343

**B N Gupta**  
CEO and Director  
DIN : 00562338

**Anil Bhalla**  
Director  
DIN : 00587533

**Place : New Delhi**  
Date : 30th May 2014

**Parveen Chopra**  
Chief Financial Officer

**R.P.Jolly**  
Company Secretary



Oswal Agro Mills Limited

## OSWAL OVERSEAS LIMITED

### DIRECTOR'S REPORT

The Directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2014.

#### 1. PERFORMANCE OF THE COMPANY & FUTURE OUTLOOK:

The Company continued to explore various global opportunities to set up business in the field of mining, power, fertilizer and natural resources.

#### 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 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 March 31, 2014 and the preoperative 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.

#### 7. AUDITORS

The auditors, M/s KSI Shah & Associates, Dubai, UAE have expressed their willingness to accept re-appointment.

Place : New Delhi  
Date : 26<sup>th</sup> May, 2014

For and on behalf of the Board  
Anil Kumar Bhalla  
Director

### Independent Auditors' Report to the Shareholder of

#### OSWAL OVERSEAS LIMITED

##### Report on the Financial Statements

We have audited the accompanying financial statements of **OSWAL OVERSEAS LIMITED**, which comprises of the statement of financial position as of 31 March, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and explanatory notes.

##### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies applied, following generally accepted accounting standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

##### Auditors' responsibility

Our audit included such test of the accounting records and such other auditing procedures, as we considered necessary in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

##### Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of **OSWAL OVERSEAS LIMITED** as of 31 March, 2014 and its income statement for the year then ended in conformity with accounting principles applied.

##### KSI Shah & Associates

Chartered Accountants  
Dubai  
19 May 2014





Oswal Agro Mills Limited

**OSWAL OVERSEAS LIMITED**  
**Statement of Financial Position At 31<sup>st</sup> March 2014**

	Notes	(₹ in thousand)	
		2014	2013
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivables		72.96	15902.77
Cash and cash equivalents		19920.44	2540.31
<b>TOTAL ASSETS</b>		<b><u>19993.40</u></b>	<b><u>18443.08</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	3	42670.86	38574.30
Accumulated losses		(22745.07)	(20220.86)
<b>Equity funds</b>		<b><u>19925.79</u></b>	<b><u>18353.44</u></b>
<b>Current liability</b>			
Accruals		<u>67.61</u>	<u>89.64</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>19993.40</u></b>	<b><u>18443.08</u></b>

The accompanying notes 1 to 5 form an integral part of these financial statements. The Independent Auditors' Report is approved by the shareholder on 19<sup>th</sup> May 2014 and signed on its behalf by:

For OSWAL OVERSEAS LIMITED

DIRECTOR

**Statement of Comprehensive Income for the year ended 31<sup>st</sup> March 2014**

	Notes	(₹ in thousand)	
		2014	2013
Loan written off during the year		-	(10849.79)
Administrative expenses		(2524.21)	(335.66)
<b>Net (loss) for the year</b>		<b><u>(2524.21)</u></b>	<b><u>(11185.45)</u></b>

The accompanying notes 1 to 5 form an integral part of these financial statements.

For Oswal Overseas Ltd

Director

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2014**

**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.

b) The company is established to carry out business of general trading and investment activities. The company has not generated any revenue as it has not carried out any commercial activities during the year.

**2. Significant accounting policies**

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

a) **Other receivables:**  
Provision is made for doubtful receivables. Bad debts are written off as they arise.

b) **Payables and accruals:**  
Liabilities are recognized for amounts to be paid for goods or services received whether or not invoiced to the company.

c) **Staff end of service gratuity:**  
Staff end of service gratuity is accounted on cash basis.

**d) 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 statement of comprehensive income .

(₹ in thousand)  
**2014      2013**

**3. Share capital**

Subscribed, Issued and Paid up

Shares 26,068 @ AED 100/-\*

(US \$ 1 @ AED 3.6715)

42670.87    38574.30

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

**4. Contingent liability**

There was no contingent liability of a significant amount outstanding at the reporting date.

**5. Comparative figures**

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



Oswal Agro Mills Limited

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Oswal Agro Mills Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Oswal Agro Mills Limited** ("the Company"), its subsidiaries and associates (collectively referred to as "the Group"), which comprises the Consolidated Balance sheet as at 31<sup>st</sup> March 2014, and the consolidated statement of profit and loss and consolidated cash flow statement of the Group for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the subsidiaries and associates as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

### Other Matters

- We did not audit the financial statements of the subsidiary company, namely Oswal Overseas Limited, whose financial statements reflect total assets (net) of ₹ 19,993.40 thousand as at March 31, 2014, total revenues (net) of ₹ Nil and net cash flows amounting to ₹ 17,110.35 thousand for the year ended on that date and financial statements of associates in which the share of profit of the company is ₹ 135,973.38 thousand. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.
- The accounts of Oswal Brasil Refinaria De Petroleo S.A, Brazil, a step down subsidiary of the company has not been consolidated as the said company is in the process of winding up. (Refer note 2.33(iii) to Significant Accounting Policies and Notes forming part of the financial statements).

Our opinion is not qualified in respect of other matters.

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

**(Aashish Gupta)**  
Partner  
Membership Number: 097343

Place : New Delhi  
Date : 30<sup>th</sup> May, 2014

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in thousand)

Particulars	Note No.	As At 31.03.2014	As At 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2.1	1,342,347.76	1,342,347.76
(b) Reserves and surplus	2.2	4,769,393.56	4,504,099.27
		<b>6,111,741.32</b>	<b>5,846,447.03</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net)	2.3	–	–
(b) Other Long term liabilities	2.4	–	10,097.25
(c) Long-term provisions	2.5	186.27	368.99
		<b>186.27</b>	<b>10,466.24</b>
<b>(3) Current liabilities</b>			
(a) Trade payables	2.6	–	105,972.00
(b) Other current liabilities	2.7	12,795.26	3,376.76
(c) Short-term provisions	2.8	3,005.62	460.21
		<b>15,800.88</b>	<b>109,808.97</b>
<b>Total</b>		<b>6,127,728.47</b>	<b>5,966,722.24</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.9		
(i) Tangible Assets		77,248.18	78,676.16
(b) Non-current investments	2.10	3,381,270.74	3,293,734.86
(c) Long-term loans and advances	2.11	124,972.04	841,897.63
		<b>3,583,490.96</b>	<b>4,214,308.65</b>
<b>(2) Current assets</b>			
(a) Current Investment	2.12	1,397,889.15	530,000.00
(b) Inventories	2.13	207,403.70	207,403.70
(c) Trade Receivables	2.14	64,135.00	244,135.00
(d) Cash and bank balances	2.15	112,524.27	392,777.26
(e) Short-term loans and advances	2.16	738,005.15	342,020.98
(f) Other current assets	2.17	24,280.24	36,076.65
		<b>2,544,237.51</b>	<b>1,752,413.59</b>
<b>Total</b>		<b>6,127,728.47</b>	<b>5,966,722.24</b>
<b>III. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>			
	1 & 2		

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



Oswal Agro Mills Limited

**STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ in thousand)

Particulars	Note No.	For The Year Ended 31.03.2014	For The Year Ended 31.03.2013
<b>I. Revenue from operations</b>	2.18	115,935.62	459,146.48
<b>II. Other income</b>	2.19	80,106.59	14,388.54
<b>III. Total Revenue (I + II)</b>		<b>196,042.21</b>	<b>473,535.02</b>
<b>IV. Expenses:</b>			
Purchase of stock-in-trade	2.20	–	244,000.00
Changes in inventories of Stock-in-Trade	2.21	–	–
Employee benefits expense	2.22	3,793.74	3,284.23
Finance costs	2.23	736.35	2.87
Depreciation and amortization expense	2.9	1,645.75	1,270.98
Other expenses	2.24	25,685.86	34,919.31
<b>Total expenses</b>		<b>31,861.70</b>	<b>283,477.39</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>164,180.51</b>	<b>190,057.63</b>
<b>VI. Exceptional Items</b>	2.25	–	<b>262,049.79</b>
<b>VII. Prior Period Adjustments</b>	2.26	<b>3,418.10</b>	–
<b>VIII. Profit before tax (V- VI-VII)</b>		<b>160,762.41</b>	<b>(71,992.16)</b>
<b>IX. Tax expense:</b>	2.27		
– Current tax (MAT)		33,397.00	–
<b>X. Profit/(Loss) for the period after Tax (VIII-IX)</b>		<b>127,365.41</b>	<b>(71,992.16)</b>
<b>XI. Share of Profit in Associate (Net)</b>		135,973.38	7,810.69
<b>XII. Profit/(Loss) for the period after Tax after profit of Associates (X-XI)</b>		<b>263,338.79</b>	<b>(64,181.47)</b>
Earning per Share (Nominal Value of ₹10 each)			
Basic/Diluted (in ₹)	2.30	1.96	(0.48)
<b>XIII. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1 & 2		

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



Oswal Agro Mills Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(₹ In thousand)

Particulars	Year Ended March 31,2014	Year Ended March 31,2013
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before exceptional items and tax</b>	<b>164,180.51</b>	<b>190,057.63</b>
Adjustments for:		
Depreciation	1,645.75	1,270.98
Finance Expense	736.35	2.87
Interest Income	(120,629.06)	(217,803.18)
Income on sale of Units of Mutual Fund	(75,289.15)	(11,467.84)
Advances written off	-	10,849.79
Provision for Gratuity & Leave Encashment	196.97	28.94
Wealth Tax Provision	203.40	210.40
	<u>(193,135.74)</u>	<u>(216,908.04)</u>
<b>Operating profit before working capital changes and exceptional items and tax</b>	<b>(28,955.23)</b>	<b>(26,850.41)</b>
<b>Adjustments for changes in working capital:</b>		
a) Increase/(Decrease) in Trade Payable, other current liabilities & provisions	(106,650.76)	(142,154.79)
b) (Increase)/Decrease in Trade Receivable, Loans & advances & other receivables	493,015.85	1,209,062.05
	<u>386,365.09</u>	<u>1,066,907.26</u>
<b>Cash generated from operations before exceptional items and tax</b>	<b>357,409.86</b>	<b>1,040,056.85</b>
- Prior Period (Expenses)/Income (Net)	(3,418.10)	-
- Exceptional Items	-	(262,049.79)
- Wealth Tax Paid	(210.40)	(217.69)
- Taxes (Payment)/Refund	(24,032.69)	(21,779.34)
	<u>(27,661.19)</u>	<u>(284,046.82)</u>
<b>Net cash from operating activities</b>	<b>329,748.67</b>	<b>756,010.03</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(217.77)	(2,204.24)
(Purchase)/Sale of Long-term investments (Net)	48,437.50	(150,000.00)
(Purchase)/Sale of Current investments (Net)	(867,889.15)	(527,296.43)
(Purchase)/Sale of Fixed Deposits	(2,393.61)	(6,566.48)
Income on sale of Units of Mutual Fund	75,289.15	11,467.84
Interest Received (Revenue)	132,425.47	204,035.63
	<u>(614,348.41)</u>	<u>(470,563.68)</u>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Foreign currency translation fund	1,955.50	1,895.11
Interest Paid	(2.35)	(2.87)
	<u>1,953.15</u>	<u>1,892.24</u>
<b>Net cash generated from/(used) in financing activities</b>	<b>(282,646.59)</b>	<b>287,338.59</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>360,379.86</b>	<b>73,041.27</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>77,733.27</b>	<b>360,379.86</b>
<b>Cash and cash equivalents at the close of the year</b>	<b>77,733.27</b>	<b>360,379.86</b>

### IV. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes No. 1 & 2

#### Notes :

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



Oswal Agro Mills Limited

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

#### A. Principles Of Consolidation

Name of the Entity	Country of Incorporation	Shareholding %	Nature of Relationship
Oswal Overseas Limited	United Arab Emirates	100%	Wholly Owned Subsidiary
Oswal Greentech Ltd.	India	35.58%	Associate
News Nation Network Private Limited	India	22.84%	Associate

The consolidated financial statements relate to Oswal Agro Mills Ltd. ('the Company'), its subsidiary companies and associates. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) - 21 on "Consolidated Financial Statements"
- (ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the quarterly average closing rate prevailing at the end of respective quarter. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "foreign currency translation reserve" till the disposal of net investment.
- (iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (iv) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- (v) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) - 23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- (vi) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.
- (vii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### B. Basis of Preparation of Financial Statements

The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis of accounting unless otherwise stated, and in accordance with the generally accepted accounting principles and accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and all the other relevant provisions of the Companies Act, 1956 and Companies Act, 2013 in force.

#### C. Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment.

#### D. 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.

#### E. Fixed Assets and depreciation

##### Tangible Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes all incidental expenditure net of MODVAT/CENVAT wherever applicable.

##### Intangible Assets

Computer Software's are capitalised and depreciated on an estimated useful life of three years.

##### Depreciation

- (a) Depreciation on tangible assets is provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.
- (b) Lease hold lands are amortised over period of lease.

#### F. Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the 'net selling price' of assets and their 'value in use'.

## NOTES (Contd...)

### G. Inventories

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

### H. Recognition of Income & Expenditure

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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.

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.

In case of Plots/Flats, sales are recognized on transfer of significant risks and rewards of ownership to the buyer.

### I. 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 recognized 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 recognized at the amount expected to be paid for it.

### J. 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.

### K. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to considerations of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### L. 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.

### M. Leases

Operating Lease payments are recognized as expenses in the Statement of Profit and Loss as per terms of the lease agreement.

### N. Contingent Liabilities

Contingent liabilities not provided for in the accounts are separately disclosed in the "Notes forming part of the financial statements".

### O. 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.

## 2 NOTES

(₹ In thousand)

2.1 SHARE CAPITAL	As at 31.03.2014	As at 31.03.2013
<b>Authorized:</b>		
300,000,000 (Previous Year 300,000,000) Equity Shares of ₹10/- each	3,000,000.00	3,000,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹100/- each	1,000,000.00	1,000,000.00
<b>Total</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>
<b>Issued, Subscribed and fully paid-up:</b>		
134,234,776 (Previous Year 134,234,776) Equity Shares of ₹10/- each fully paid up	1,342,347.76	1,342,347.76
<b>Total</b>	<b>1,342,347.76</b>	<b>1,342,347.76</b>



Oswal Agro Mills Limited

**NOTES (Contd...)**

(a) The reconciliation of the number of shares outstanding is set out below: (₹ In thousand)

Particulars	As at 31.03.2014	As at 31.03.2013
Opening Balance	134,234,776	134,234,776
Issued during the year	-	-
Shares redeemed during the year	-	-
Closing Balance	134,234,776	134,234,776

(b) Number of shares held by each shareholder holding more than 5 percent of the issued share capital:

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>List of Shareholders - 5 % &amp; Above</b>				
- Abhey Kumar Oswal (Director)	53,530,960	39.88%	53,530,960	39.88%

(c) Rights, preference and restrictions attached to shares:

**Equity Shares :** The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	(₹In thousand)			
2.2 RESERVES AND SURPLUS	As at 31.03.2014		As at 31.03.2013	
Securities Premium Reserve				
As per last Balance Sheet	4,464,882.64		4,464,882.64	
Capital Reserve				
As per last Balance Sheet	1,500.00		1,500.00	
General Reserve				
As per last Balance Sheet	318,976.09		318,976.09	
Foreign currency translation reserve				
As per last Balance Sheet	8,069.10		6,173.99	
Add : For the year	1,955.50	10,024.60	1,895.11	8,069.10
Profit and Loss Account				
As per last Balance Sheet	(289,328.56)		(225,147.09)	
Add: Profit/(Loss) for the year	263,338.79	(25,989.77)	(64,181.47)	(289,328.56)
<b>Total</b>	<b>4,769,393.56</b>		<b>4,504,099.27</b>	
<b>2.3 DEFFERED TAX LAIBILITY (NET)</b>				
Fixed Assets (DTL)				
Opening Balance	9,075.44		8,872.59	
For the year	629.81		202.85	
Closing Balance	9,705.25		9,075.44	
<b>Disallowance U/S 43 B and Gratuity (DTA)</b>				
Opening Balance	194.63		185.24	
For the year	82.65		9.39	
Closing Balance	277.28		194.63	
<b>Losses Carried Forward (DTA)</b>				
Opening Balance	8,880.81		8,687.35	
For the year	547.16		193.46	
Closing Balance	9,427.97		8,880.81	
<b>Total</b>	<b>-</b>		<b>-</b>	
No deferred tax asset on brought forward losses and unabsorbed depreciation, in excess of deferred tax liability has been recognized on conservative basis in the absence of virtual certainty of availability of sufficient future taxable income as at 31.03.2014.				
<b>2.4 OTHER LONG TERM LIABILITIES</b>				
Other Liability	-		10,097.25	
<b>Total</b>	<b>-</b>		<b>10,097.25</b>	
<b>2.5 LONG-TERM PROVISIONS</b>				
Employee Benefits (Refer Note No. 2.22)	186.27		368.99	
<b>Total</b>	<b>186.27</b>		<b>368.99</b>	





NOTES (Contd...)

		(₹ In thousand)	
		As at 31.03.2014	As at 31.03.2013
<b>2.6 TRADE PAYABLES</b>			
Others		-	105,972.00
<b>Total</b>		<b>-</b>	<b>105,972.00</b>

Based on the information available with the Company, there are no dues as at March 31, 2014 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.

<b>2.7 OTHER CURRENT LIABILITIES</b>			
Duties & Taxes Payable		353.66	683.43
Other Liabilities*		12,441.60	2,693.33
<b>Total</b>		<b>12,795.26</b>	<b>3,376.76</b>

\* includes amount payable to related party ₹10,501.01 thousand (Previous Year ₹10,097.25 thousand)

<b>2.8 SHORT-TERM PROVISIONS</b>			
Provision for Employee benefits (Refer Note No. 2.22)		629.50	249.81
Provision for Income Tax*		2,172.72	-
Provision for Wealth Tax		203.40	210.40
<b>Total</b>		<b>3,005.62</b>	<b>460.21</b>

\* Net of Advance Tax ₹20,055 thousand (Previous year ₹ Nil) and TDS Recoverable of ₹11,903.28 thousand (Previous year ₹ Nil)

**2.9 FIXED ASSETS** (₹ In thousand)

Particulars	Gross Block			Depreciation				Net Block		
	As At 1.04.2013	Additions During The Year	Sale/ Adjustments During The Year	As At 31.03.2014	Upto 1.04.2013	For The Year	Written Back/ Adjustments During The Year	Up to 31.03.2014	As At 31.03.2014	As At 31.03.2013
<b>(I) Tangible Assets</b>										
Land										
- Leasehold	3,525.54	-	-	3,525.54	758.67	37.10	-	795.77	2,729.77	2,766.87
- Freehold	11,356.80	-	-	11,356.80	-	-	-	-	11,356.80	11,356.80
Buildings										
- Freehold	86,104.96	217.77	-	86,322.73	23,190.08	1,429.51	-	24,619.59	61,703.14	62,914.88
Plant & Machinery	1,124.43	-	-	1,124.43	517.19	53.41	-	570.60	553.83	607.24
Furniture & Fixture	4,234.73	-	-	4,234.73	4,234.73	-	-	4,234.73	-	-
Vehicles	3,551.47	-	-	3,551.47	2,521.10	125.73	-	2,646.83	904.64	1,030.37
<b>Total (I)</b>	<b>109,897.93</b>	<b>217.77</b>	<b>-</b>	<b>110,115.70</b>	<b>31,221.77</b>	<b>1,645.75</b>	<b>-</b>	<b>32,867.52</b>	<b>77,248.18</b>	<b>78,676.16</b>
<b>Previous Year</b>	<b>86,921.19</b>	<b>22,976.74</b>	<b>-</b>	<b>109,897.93</b>	<b>29,950.79</b>	<b>1,270.98</b>	<b>-</b>	<b>31,221.77</b>	<b>78,676.16</b>	

Note: As per internal assessment of the company, there is no asset requiring provision for asset impairment as on 31.03.2014 as per AS-28 on "Impairment of Asset".

**2.10 NON-CURRENT INVESTMENTS** (₹ In thousand)

		As at 31.03.2014	As at 31.03.2013
<b>(i) Investment in Equity Instruments</b>			
<b>(a) Associated Company - (QUOTED, NON TRADE, AT COST)</b>			
- Oswal Greentech Limited (formerly known as Oswal Chemicals & Fertilizers Limited)*91,384,203 Equity Shares (Previous year 91,384,203) fully paid up of ₹10/- each Including Share of profit of ₹691,196.61 thousand (Previous year ₹478,765.23 thousand)		3,067,004.89	2,854,573.51
<b>(b) Associated Company - (UNQUOTED, NON TRADE, AT COST)</b>			
- News Nation Network Private Limited (formerly known as Alpha Dealcom Private Limited 16,440,000 Equity Shares (Previous Year 15,000,000) of ₹10/- each Including Share of Loss of ₹75,412.96 thousand (Previous Year ₹ Nil) and Share of Goodwill of ₹1,045.04 thousand (Previous year ₹ Nil)		87,942.00	-
<b>(c) Other Company - (UNQUOTED, NON TRADE, AT COST)</b>			
- P C Media Systems Limited 12,036,500 Equity Shares (Previous Year 12,036,500) of ₹10/- each		290,419.31	290,419.31
Less : Provision for diminution in value of investments#		(171,257.96)	(171,257.96)
		119,161.35	119,161.35
- Superior Portfolio (P) Limited 1,910 Equity Shares (Previous Year 4,000) of ₹1000/- each		7,162.50	15,000.00
- News Nation Network Private Limited (formerly known as Alpha Dealcom Private Limited) 16,440,000 Equity Shares (Previous Year 15,000,000) of ₹10/- each		-	150,000.00



Oswal Agro Mills Limited

NOTES (Contd...)

	(₹ In thousand)	
	As at 31.03.2014	As at 31.03.2013
<b>(ii) Investment in Debentures - (UNQUOTED, NON TRADE, AT COST)**</b>		
– Freedom Technobuild Private Limited NIL (Previous Year 55,000) 0% Optionally Convertible Debentures of ₹1,000/- each	–	55,000.00
– Infotel Business Solutions Limited 10,000,000 (Previous Year 10,000,000) 0% Optionally Convertible Debentures of ₹10/- each	100,000.00	100,000.00
<b>Total</b>	<b><u>3,381,270.74</u></b>	<b><u>3,293,734.86</u></b>
Aggregate Market Value of Quoted Investments*	2,211,497.71	1,768,284.33
Aggregate Cost of Quoted Investments	3,067,004.89	2,854,573.51
Aggregate Cost of Un-quoted Investments	485,523.81	610,419.31
Aggregate provision for diminution in value of investments#	171,257.96	171,257.96
* In the opinion of the management, diminution in value of long term Investment in Associate company, M/s Oswal Greentech Limited, is not permanent in nature. Hence, no provision for the same has been provided during the year ended 31.03.2014.		
** Redeemable or convertible into equity shares on or after 31-12-2015 i.e. after 5 years from the date of allotment but before 30-12-2025 i.e. 15 years from the date of issue.		
# ₹ 171,257.96 thousand in respect of investment made in M/s P C Media Systems Ltd. These equity shares has been valued at ₹ 9.90 per share in accordance with net worth of the company. Provision has been made by difference amount of cost and book value of the shares.		
<b>2.11 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Security Deposits	1,601.09	1,601.09
Advance to suppliers	–	108,000.00
Loan to body corporate	57,500.00	658,500.00
Income Tax Advances (net)	65,870.95	73,796.54
<b>Total</b>	<b><u>124,972.04</u></b>	<b><u>841,897.63</u></b>
<b>2.12 CURRENT INVESTMENT(Quoted, Non-trade, at cost)</b>		
Investment in Mutual Funds	1,397,889.15	530,000.00
602,247.64 Units (Previous Year 249,301.54 Units) of LIC Mutual Fund Saving Plus Fund		
<b>Total</b>	<b><u>1,397,889.15</u></b>	<b><u>530,000.00</u></b>
Aggregate Market Value of Quoted Investments	1,401,308.60	530,534.50
Aggregate Cost of Quoted Investments	1,397,889.15	530,000.00
<b>2.13 INVENTORIES</b>		
LAND*	183,495.20	183,495.20
(Cost or net realizable value, whichever is lower)		
STOCK IN TRADE (Equity Shares)	23,908.50	23,908.50
(Cost or net realizable value, whichever is lower)		
<b>Total</b>	<b><u>207,403.70</u></b>	<b><u>207,403.70</u></b>
<b>Note :</b>		
* Converted from fixed assets.		
* The company entered into an agreement with Oswal Greentech Limited ("OGL") for the purpose of development of the commercial cum residential project at Chembur Land in Mumbai . In accordance with the agreement, the company has to contribute its land and OGL is required to incur all the development expenses of the project with the understanding to share the ownership of the Chembur project in an agreed ratio. The construction/development of the project was stayed by the Hon'ble Supreme Court of India vide order dated 10.12.2013 stating that the same land can be used for the purpose of Agro Industry or any other permissible industry under the current regulations. The management is exploring the possibilities to use the land in question as per the permissible regulations.		
<b>2.14 TRADE RECEIVABLES(Unsecured, considered good)</b>		
Outstanding exceeding six months from due date	–	–
Others	64,135.00	244,135.00
<b>Total</b>	<b><u>64,135.00</u></b>	<b><u>244,135.00</u></b>

**NOTES (Contd...)**

(₹ In thousand)

2.15 CASH AND BANK BALANCES	As at 31.03.2014	As at 31.03.2013
<b>A Cash and cash equivalents</b>		
Balances with banks		
– in Current Account	21,493.51	4,140.10
Cash in hand	2.26	2.26
Cheques in hand	56,237.50	356,237.50
<b>Total (A)</b>	<b>77,733.27</b>	<b>360,379.86</b>
<b>B Other bank balances</b>		
– in Fixed Deposits (For Margin Money)*	34,791.00	32,397.40
<b>Total (B)</b>	<b>34,791.00</b>	<b>32,397.40</b>
<b>Total (A+B)</b>	<b>112,524.27</b>	<b>392,777.26</b>
* Fixed Deposits are pledged as security with/against Government Department/loans/Bank Deposits		
<b>2.16 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Loans to body corporate	730,000.00	310,000.00
Security Deposits	–	15,000.00
Other advances*	8,005.15	17,020.98
<b>Total</b>	<b>738,005.15</b>	<b>342,020.98</b>
* includes amount receivable from related party ₹53.05 thousand (Previous Year ₹198.22 thousand)		
<b>2.17 OTHER CURRENT ASSETS</b>		
Interest Receivable	24,280.24	36,076.65
<b>Total</b>	<b>24,280.24</b>	<b>36,076.65</b>
<b>2.18 REVENUE FROM OPERATIONS</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>
Sale of Land	–	244,135.00
<b>Other Operating Revenue</b>		
Interest on ICD	115,935.62	215,011.48
<b>Total</b>	<b>115,935.62</b>	<b>459,146.48</b>
<b>2.19 OTHER INCOME</b>		
Profit/(Loss) on Trading of Shares/Mutual Fund	75,289.15	11,467.84
Interest Income	4,693.44	2,791.70
Rental Income	120.00	120.00
Misc. Income	4.00	9.00
<b>Total</b>	<b>80,106.59</b>	<b>14,388.54</b>
<b>2.20 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Land	–	244,000.00
<b>Total</b>	<b>–</b>	<b>244,000.00</b>
<b>2.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing stock of Stock in trade	23,908.50	23,908.50
Closing stock of Land	183,495.20	183,495.20
Less: Opening stock of Stock in trade	(23,908.50)	(23,908.50)
Less: Opening stock of Land	(183,495.20)	(183,495.20)
<b>Total</b>	<b>–</b>	<b>–</b>



Oswal Agro Mills Limited

**NOTES (Contd...)**

	(₹ In thousand)	
2.22 EMPLOYEE BENEFITS EXPENSE	For the year ended 31.03.2014	For the year ended 31.03.2013
Salaries and wages	2,440.16	1,993.52
Contribution to provident and other funds	148.62	126.41
Staff welfare expenses	1,204.96	1,164.30
<b>Total</b>	<b>3,793.74</b>	<b>3,284.23</b>

**Employee Benefits**

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:-

**a) Defined Contribution Plans**

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

Employer's contribution to Employees Provident Fund including family pension fund ₹129.53 thousand (Previous Year ₹108.31 thousand)

**b) Defined Benefit Plans**

Particulars	(₹ In thousand)			
	Earned Leave (Unfunded) 31.03.2014	Earned Leave (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2014	Gratuity (Unfunded) 31.03.2013
<b>(i) Valuation in respect of gratuity/earned leave has been carried out by independent actuary, as at the Balance date, based on the following assumption:</b>				
Discounting Rate	8.50%	8.00%	8.50%	8.00%
Future salary Increase	6.00%	5.50%	6.00%	5.50%
Expected Rate of return on plan assets	NA	NA	NA	NA
Expected Average remaining working lives of employees in number of years	2.66	(0.79)	2.66	(0.79)
<b>(ii) The amounts recognized in the balance sheet are as follows :</b>				
Present value of obligation	26.81	18.94	788.96	599.86
Fair value of plan assets	-	-	-	-
Net asset/(liability) recognized in balance sheet	(26.81)	(18.94)	(788.96)	(599.86)
<b>(iii) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
Present value of obligation as at the beginning of the year	18.94	20.14	599.86	569.72
Interest cost	1.52	1.61	47.99	45.58
Current service cost	1.91	0.72	30.75	22.40
Benefits Paid	(22.50)	(19.29)	-	-
Actuarial (gain)/loss on obligation	26.94	15.75	110.36	(37.83)
Present value of obligation as at the end of year	26.81	18.94	788.96	599.86
- Expected to due in 12 months (Short-term provision)	20.13	15.23	609.37	234.58
- Expected to due after 12 months (Long-term provision)	6.68	3.71	179.59	365.28
<b>(iv) The amount recognized in the Statement of Profit &amp; Loss is as follows :</b>				
Current service cost	1.91	0.72	30.75	22.40
Interest cost	1.52	1.61	47.99	45.58
Net actuarial (gain)/loss recognized in the year	26.94	15.75	110.36	(37.83)
Amount apportioned from a group company	(36.85)	14.01	72.80	13.60
Expenses recognized in the statement of profit & loss	(6.48)	32.09	261.90	43.74

	(₹ In thousand)	
2.23 FINANCE COST	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest others	736.35	2.87
<b>Total</b>	<b>736.35</b>	<b>2.87</b>

**NOTES (Contd...)**

(₹ In thousand)

2.24 OTHER EXPENSES	For the year ended 31.03.2014	For the year ended 31.03.2013
Rent	814.23	5,877.61
Rates And Taxes	7,417.13	289.96
Listing Fees	356.74	1,012.29
Printing & Stationery	1,508.83	1,482.23
Postage & Telegram	1,755.66	1,805.22
Consultation & Professional Fee	8,970.10	18,630.68
Repairs & Maintenance :		
Building	37.38	196.76
Others	147.78	66.13
Payment to Auditor (refer note 2.29)	1,338.77	1,244.14
Other expenses	3,339.24	4,314.29
<b>Total</b>	<b>25,685.86</b>	<b>34,919.31</b>

**2.25 EXCEPTIONAL ITEMS**

Loss on real estate activities*	-	250,000.00
Compensation against legal case	-	1,200.00
Advances written off**	-	10,849.79
<b>Total</b>	<b>-</b>	<b>262,049.79</b>

\* The Company has terminated an agreement for sale of area, being developed under joint agreement with Oswal Greentech Limited, in view of the judgment of the Hon'ble High Court of Bombay for staying the development work. Due to the termination it has suffered a loss of ₹ Nil (Previous year ₹ 250,000 thousand).

\*\* Represent advance given by the wholly owned subsidiary "Oswal Overseas Limited" which has been written off during the previous year.

**2.26 PRIOR PERIOD ADJUSTMENT (NET)**

<b>Expenses</b>		
Consultation & Professional Fee	3,418.10	-
<b>Total (Net)</b>	<b>3,418.10</b>	<b>-</b>

**2.27 TAX EXPENSES**

<b>Current Tax</b>		
Income Tax (MAT)	33,397.00	-
<b>Total</b>	<b>33,397.00</b>	<b>-</b>

**2.28 Contingent Liabilities not provided for in respect of:**

	As at 31.03.2014	As at 31.03.2013
a) Claims against the company not acknowledged as debts	34,066.71	38,404.53
b) Other money for which the company is contingently liable	6,890.26	1,422.73

**2.29 Payment to Auditor\* (Refer Note - 2.24)**

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Statutory Audit	1,123.60	1,057.06
Taxation matters	-	168.54
Certification work	18.54	18.54
Company Law Matters	196.63	-
<b>Total</b>	<b>1,338.77</b>	<b>1,244.14</b>

\* including of service tax

**2.30 EARNING PER EQUITY SHARE - (AS- 20)**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Profit/(Loss) attributable to equity shareholders (A) (₹ in thousand)	263,338.79	(64,181.47)
Basic/Diluted Weighted Average of equity shares outstanding during the year (B)	134,234,776	134,234,776
Basic/Diluted earnings per share (₹) (A)/(B)	1.96	(0.48)
Nominal Value of equity shares (₹)	10	10



Oswal Agro Mills Limited

**NOTES (Contd...)**

**2.31 RELATED PARTY DISCLOSURES - (AS-18)**

(I) **Related parties and transactions with them as identified by the management are given below:**

(a) **Enterprises over which major shareholders, key management personnel and their relatives have significant influence**

- Oswal Greentech Limited
- Lucky Star Entertainment Limited
- Aruna Abhey Oswal Trust
- Oswal Woolen Mills Ltd.

(b) **Enterprises over which company has significant influence:**

- News Nations Networks Private Limited

(c) **Directors, Key Management Personnel and their relatives**

- Mr. Abhey Kumar Oswal
- Mr. Atul Kulshrestha (Brother of Mr. Sunil Kulshrestha, Director)\*
- Mr. Rajinder Pal Jolly, CS and CFO\*
- \*w.e.f 12th September, 2013 as per Companies Act, 2013

(II) **Transactions with Related Parties in the ordinary course of business :**

(₹ In thousand)

Particulars	Description	Current Year	Previous Year
<b>(a) Enterprises over which major shareholders, key management personnel and their relatives have significant influence:</b>			
Oswal Greentech Limited (Associate)	<b>Transactions during the year:</b>		
	Rent Received	120.00	120.00
	Reimbursement of Payments made by Enterprise on behalf of the company	52.15	53.65
	Their share of common expenses transferred from the enterprise	3,720.02	3,340.52
	Advance received	2,500.00	458,500.00
	Advance repaid	2,500.00	458,500.00
	Advance given	1,284,200.00	40,000.00
	Advance received back	1,284,200.00	40,000.00
	<b>Balances outstanding at year end:</b>		
	- Receivable (common expenses)	53.05	198.22
	- Investment	3,067,004.89	2,854,573.51
Oswal Woollen Mills Ltd.	<b>Balances outstanding at year end:</b>		
	Other Liability	10,097.25	10,097.25
<b>(b) Enterprises over which company has significant influence:</b>			
News Nations Networks Private Limited (Associate)#	<b>Transactions during the year:</b>		
	Investment made	14,400.00	-
	<b>Balances outstanding at year end:</b>		
	- Investment	87,942.00	-
<b>(c) Directors, Key Management Personnel and their relatives:</b>			
Atul Kulshrestha*	<b>Transactions during the year:</b>		
	Consultation Services (Inclusive of Service Tax)	2,604.83	-
	Out of Pocket Expenses - Reimbursement	37.03	-
	<b>Balances outstanding at year end:</b>		
	- Payable against consultation services and reimbursement	388.76	-
Rajinder Pal Jolly*	<b>Transactions during the year:</b>		
	Salary	99.50	-
	Ex-Gratia	45.00	-
	<b>Balances outstanding at year end:</b>		
	- Salary Payable	15.00	-

\* Transactions entered into on and after 12th September, 2013 are considered for the disclosure in accordance with Companies Act, 2013.

# Associate Company in pursuance of the Companies Act, 2013.

## NOTES (Contd...)

### 2.32 SEGMENT - (AS-17)

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

- (i) Investment Activities
- (ii) Real Estate
- (iii) Trading

(₹ In thousand)

S No.	Particulars	Current Year	Previous Year
<b>(a)</b>	<b>Segment Revenue</b>		
	Investment Activities	191,224.77	226,479.32
	Trading	–	–
	Real Estate	–	244,135.00
	Unallocated	4,817.44	2,920.70
	<b>Total Segment Revenue</b>	<b>196,042.21</b>	<b>473,535.02</b>
<b>(b)</b>	<b>Segment Result</b>		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	188,367.86	223,363.54
	Trading	–	–
	Real Estate	(1,181.52)	(273,380.26)
	Unallocated	(25,687.58)	(21,972.57)
	Less: Interest & Finance Charges	736.35	2.87
	Profit from Ordinary Activities before Tax	160,762.41	(71,992.16)
	Less: Provision for Current Tax	33,397.00	–
	Profit from Ordinary Activities after Tax	127,365.41	(71,992.16)
	Add: Share of Associate	135,973.38	7,810.69
	<b>Net Profit/(Loss) after share of Profit from Associate</b>	<b>263,338.79</b>	<b>(64,181.47)</b>
<b>(c)</b>	<b>Segment Assets</b>		
	Investment Activities	5,655,616.73	5,185,186.39
	Trading	23,908.50	23,908.50
	Real Estate	248,098.26	551,099.28
	Unallocated	200,104.98	206,528.07
	<b>Total Assets</b>	<b>6,127,728.47</b>	<b>5,966,722.24</b>
<b>(d)</b>	<b>Segment Liabilities</b>		
	Investment Activities	23.35	661.95
	Trading	–	–
	Real Estate	5.84	106,137.49
	Unallocated	15,957.97	13,475.77
	<b>Total Liabilities</b>	<b>15,987.16</b>	<b>120,275.21</b>
<b>(e)</b>	<b>Other Information</b>		
	Capital expenditure (Unallocable)	217.77	2,204.24
	Depreciation and amortisation (Unallocable)	1,645.75	1,270.98



Oswal Agro Mills Limited

## NOTES (Contd...)

### 2.33 OTHER NOTES:

- (i) Employee benefits expenses (Notes - 2.22) and Other expenses (Notes-2.24) includes ₹3,720.02 thousand (Previous Year ₹3,340.52 thousand) being apportioned expenses incurred by a group company on behalf of this company.
- (ii) In the opinion of the management, all current assets and loan & advances as on 31st March, 2014 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (iii) Oswal Brasil Refinaria de Petroleo S.A, Brazil, a step down subsidiary of the company is in the process of winding up, hence the accounts of the company have not been consolidated.
- (iv) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached  
For T. R. Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

For and on behalf of Board  
OSWAL AGRO MILLS LIMITED

Aashish Gupta  
Partner  
Membership No. 097343

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 30th May 2014

Parveen Chopra  
Chief Financial Officer

R.P.Jolly  
Company Secretary



**OSWAL AGRO MILLS LIMITED**

CIN L15319PB1979PLC012267

Regd. Office: Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana- 141003 (Punjab)

Phone No. 0161-2544313

Head Office: 7<sup>th</sup> Floor, Anriksh Bhawan, 22 K G Marg, New Delhi-110001

Phone No- 011-23715242, Fax No. 011-23716276

Email: oswal@oswalagromills.com Website: www.oswalagromills.com

**E-COMMUNICATION REGISTRATION FORM**

To,  
M/s. Skyline Financial Services Pvt. Ltd.  
(Registrar & Share Transfer Agent)  
D-153/A, First Floor, Okhla Industrial Area,  
Phase-I, New Delhi – 110020

**Green Initiative in Corporate Governance**

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs, Please register my e-mail ID as given below, in your records, for sending the communications :

Folio No. / DP ID & Client ID No : .....

Name of 1<sup>st</sup> Registered Holder : .....

Name of Joint Holder(s), if any : .....

Registered Address of the  
Sole/1<sup>st</sup> Registered Holder : .....

: .....

No. of Shares held : .....

E-mail ID (to be registered) : .....

Date : .....

Signature : .....

**Notes:**

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) The Form is also available on the website of the Company [www.oswalagromills.com](http://www.oswalagromills.com) under section 'Investor Relations'.
- 3) Shareholders are requested to keep the Company's Registrar M/s. Skyline Financial Services Pvt. Ltd. Informed as and when there is any change in the e-mail address.
- 4) Shareholders holding shares in the physical form/demat form but not updated their e-mail ID with Company/Registrar/Depository Participant (DP) till date, are request to update their e-mail ID, by sending written request/request through e-mail to the Company/Registrar in respect of shares held in physical form and to the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve the documents, all communications electronically.



**OSWAL AGRO MILLS LIMITED**

**CIN - L15319PB1979PLC012267**

**REGD. OFFICE:** Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141 003 (Punjab), Ph No. 0161-2544313  
Email: oswal@oswalagromills.com, Website: www.oswalagromills.com

**ATTENDANCE SLIP**

**ANNUAL GENERAL MEETING- 30<sup>th</sup> SEPTEMBER, 2014 AT 1.00 P.M.**

Name & Address of the Registered Shareholder/Proxy	
DP ID ,CLIENT ID/FOLIO NO.	
NO OF SHARES HELD	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 1:00 P.M. at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)

(SIGNATURE OF SHAREHOLDER OR PROXY)

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

TEAR HERE

**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	L15319PB1979PLC012267
Name of the Company	OSWAL AGRO MILLS LIMITED
Registered Office	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)
Name of the Members (s)	
Registered Address	
Email Id	
Folio No./Client ID	

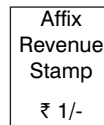
I/We being a member(s) of Oswal Agro Mills Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 1.00 P.M. at its Regd. Office and at any adjournment thereof in respect of such resolutions as are indicated hereunder:

**Resolution No**

1.	2.	3.	4.
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Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Proxy Holder: \_\_\_\_\_



Signature of members

NOTE: The proxy form should be signed by member across the stamp as per specimen signature registered with the Company and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting. The Proxy need not be a member of the Company.

