



## OSWAL AGRO MILLS LIMITED

**TRANSCRIPT OF THE 40<sup>TH</sup> ANNUAL GENERAL MEETING OF OSWAL AGRO MILLS LIMITED HELD THROUGH VIDEO CONFERENCING ON MONDAY, SEPTEMBER 28, 2020 AT 12:00 PM IST HAVING DEEMED VENUE AT NEAR JAIN COLONY, VIJAY INDER NAGAR, DABA ROAD, LUDHIANA-141003 (PUNJAB)**

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**Gopal:**

Good Afternoon Everyone, I Gopal, Company Secretary and Compliance Officer of Oswal Agro Mills Limited, joining from New Delhi, extend a very warm welcome to all the Members of the Company at this 40<sup>th</sup> Annual General Meeting.

It is a pleasure to connect with you all again, although this time we meet virtually due to current COVID 19 pandemic across the globe. I hope you all are safe and doing well. On behalf of the Board of Directors, I would like to thank all the shareholders who took their precious timeout for joining and participating in this annual general meeting.

Shareholders may note that due to the prevailing critical condition of Covid-19 pandemic, social distancing is a norm to be adhered, and therefore, this Annual General Meeting is being held through video conferencing as per Companies Act, 2013 and in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The registered office of the Company at Ludhiana shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made thereat.

Directors on the Board and KMP of the Company are joining us from different locations. I am introducing them one by one:

**Dr. Aruna Oswal**, Chairperson and Director of the Company, joining us from New Delhi. In terms of Article 73 of Articles of Association of the Company, Dr. Aruna Oswal shall chair this 40<sup>th</sup> Annual General Meeting.

**Shri Bhola Nath Gupta**, Whole time Director and CEO of the Company, joining us from Ludhiana;

**Shri Anil Bhalla**, Director and Chairman of Stakeholder Relationship Committee of the Company, joining us from New Delhi;

**Shri Mohinder Pal Singh**, Independent Director and Chairman of Audit Committee and Nomination & Remuneration Committee, joining us from Ludhiana;

**Smt. Shikha Jain** Independent Director of the Company, joining us from New Delhi;

**Shri Parveen Chopra**, CFO of the Company, joining us from New Delhi.

In addition, we have with us –

Mr. Sanjay Agarwal, Partner, Agarwal & Dhandhania, Chartered Accountants, Surat, Statutory Auditor;

Mr. S K Agarwal and Mr. Anuj Goel, representing T R Chadha & Co LLP, Chartered Accountants, New Delhi, Internal Auditor;

Mr. Shivam Garg, Company Secretary, CT & Company, Secretarial Auditor and

Mr. Paramnoor Singh, Chartered Accountant in Practice, shall act as Scrutinizer of the Meeting.

Further Mr. Ramesh Kumar Khanna, Independent Director of the Company, has expressed his inability to attend this AGM owing to personal reasons.

I now request Dr. Aruna Oswal, Chairperson, to continue with the proceedings of the meeting.

**Dr. Aruna Oswal:**

Thank you Mr. Gopal, am I audible?

**Gopal:**

Yes Mam, you are audible.

**Dr. Aruna Oswal:**

Good Afternoon everyone, Dear Members I welcome you all to the 40<sup>th</sup> Annual General Meeting of your Company. I hope each one of you is safe, healthy and maintain social distancing as per the guidelines issued by the government authorities.

Mr. Gopal Do we have requisite quorum present for the meeting?

**Gopal:**

Yes Ma'am, we require a quorum of at least 30 members to be present in the meeting and today we have about 45 participants and counting number of participants for this meeting through VC.

**Dr. Aruna Oswal:**

Thank you, Mr. Gopal. As we have the requisite quorum is present, I call this meeting to order.

Before proceeding with the business agendas of the meeting as per the Notice, I would like to throw light on the performance of the Company/ group during the financial year 2019-20.

The Company has generated revenue from operations from trading activities during the year. The Company has dealt in trading of commodities amounting to Rs. 14.61 crores during the FY 2019-20. Apart from trading activities, the Company also generated income from interest on Inter-Corporate Deposits, Mutual Funds and other miscellaneous income.

The Company has earned a profit before tax of Rs. 9.51 crores and net profit after tax of Rs. 6.96 crores for FY 2019-20 on standalone basis.

Further, the company has earned a consolidated profit before tax of Rs. 9.51 crores and consolidated net profit after tax of Rs. 32.39 crores for FY 2019-20 which includes share of profit of associate, namely Oswal Greentech Limited, of Rs. 25.43 crores.

The future outlook of the Company remains positive and encouraging considering the fact that economy is picking up pace post the implementation of unlock of the economy in phased manner and declining impact of the COVID-19.

The notice of the 40<sup>th</sup> Annual General Meeting and the Annual Report, containing Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2020 and Board's and Auditor's Reports, have been sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depositories. These documents have also been made available on the Company's website. Considering the above, the Notice is being taken as read.

M/s Agarwal and Dhandhanian, Statutory Auditors and M/s CT & Company, Secretarial Auditors have submitted their audit reports for the financial year ended March 31, 2020.

The Reports of both the Statutory Auditors and Secretarial Auditors contain a remark which read as:

The Company has become a Non-Banking Finance Company (NBFC) w.e.f. 1<sup>st</sup> April 2019. However, the Company has neither filed an application with RBI for its registration as NBFC nor complied with the relevant rules and regulations applicable to an NBFC.

Further, the financial statements for the financial year 2019-20 are not prepared in accordance with division III of Schedule III to the Companies Act 2013 as applicable to an NBFC.

In this regard, the Company is in process to seek exemption from being treated as NBFC by ensuring that Non-financial activities are more than 50% of the total income of the Company and as such seek condonation for default in not filing application with the Reserve Bank of India, Chandigarh (RBI) for registration as NBFC and regularisation of the same, including exemption from the operation of the disclosure requirements as applicable to a NBFC as per

the Reserve Bank of India Act, 1934. The effects on the standalone financial statements of the aforesaid non-compliances cannot be determined.

The Management of the Company has submitted following response to the Auditors' remark:

As on March 31, 2019 and 2020, the Company's financial assets constituted more than 50 per cent of its total assets and the income from financial assets also constituted more than 50 per cent of its gross income, resulting in meeting the '50-50' test for determining financial activity as a principal business. Accordingly, during the year, the Company had decided to make an application with RBI for obtaining the registration as NBFC vide board resolution dated July 26, 2019 and also decided not to enter into any fresh financial activity w.e.f. July 26, 2019, since only the financial transactions prior to July 26, 2019 were continuing.

However, the Board later on decided, in its meeting dated February 7, 2020, not to proceed further with the registration as NBFC, considering the fact that meeting the '50-50' criteria was a one-time event on account of temporary reasons viz. business cycles etc. and that the Company intended to continue only non-financial activity as its principal activity. In fact, during the financial year 2019-20, the Company had undertaken substantial non-financial/trading transactions, but due to the ongoing COVID-19 pandemic and the subsequent nationwide lockdown, the total income of the Company from the non-financial activities could not be more than 50 per cent of the gross income for the financial year 2019-20 as was envisaged by its Board of Directors in their meeting held on February 7, 2020. Further, the Company has not accepted any public deposits, nor does it have any liability to Banks/Financial Institutions.

As, the Company intends to continue with the non-financial activities as its principal business, it was decided to approach RBI, based on legal advice, to seek condonation for default and regularisation of the same, including exemption from the operation of the disclosure requirements as applicable to an NBFC as per the Reserve Bank of India Act, 1934. Consequently, the financial statements and the disclosures for financial year 2019-20 have been prepared in accordance with Division II of Schedule III to the Companies Act, 2013 applicable to Non-NBFCs.

The Company has filed the application seeking exemption with RBI, Chandigarh dated August 13, 2020 and the same is under process.

Furthermore, the Company is actively trading in commodities in financial year 2020-21 and has traded to the tune of Rs. 7.62 crores till the date of this meeting and will continue to engage in non-financial activities as its principal business activity.

Also, the report of Secretarial Auditor contains remarks which read as follows:

1. The Company is in violation w.r.t. delayed submission of consolidated financial results for quarter and half year ended September 30, 2019 in terms of Regulation 33 (3) (b) of SEBI (LODR) Regulations, 2015. The due date to submit the financial results for the quarter and half year ended September 30, 2019 was November 14, 2019. However, the Company submitted the consolidated financial statements to the stock exchange for the said quarter with a delay of 29 days (i.e. on December 13, 2019).
2. The Company is in violation w.r.t. delayed submission of shareholding pattern in terms of Regulation 31 and statement of shareholders complaints in terms of Regulation 13(3) as required under SEBI (LODR) Regulations, 2015 for the quarter or year ended March 31, 2020.

The Management of the Company has submitted following response to the aforesaid Secretarial Auditors' remark:

1. The Company had submitted the standalone financial results for the quarter and half year ended September 30, 2019 to the Stock Exchange on October 21, 2019 which were approved by the Board in the meeting held on that day along with the limited review report of Auditors. Whereas the consolidated results for the said quarter were not submitted at that point of time due to inadvertence. The Company had accepted the violation w.r.t. delayed submission of consolidated financial results for quarter and half year ended September 30, 2019. For this purpose, the Company had conducted another Board meeting on December 13, 2019 and submitted consolidated results along with limited review report to the Stock Exchange on said date. The Company is always regular in submission of its financial results within stipulated time-period to make its investors aware about the financial health of the entity and to evaluate the performance of the entity to make further investment decisions.
2. The Company had submitted the shareholding pattern in terms of Regulation 31 of SEBI (LODR) Regulations, 2015 with a delay of 1 day and statement of shareholders complaints in terms of Regulation 13(3) of SEBI (LODR) Regulations, 2015 with a delay of 2 days to the Exchange. The Company had placed this matter before the Board of Directors of the Company in their meeting held on June 25, 2020. The Company has always been regular in submission of information and the requisite filings within stipulated time period to make its investors aware about the Company. The Board ensures that due care shall be taken to make the timely submission of all necessary information and filings to the exchange in future.

The above remarks of Statutory Auditors and Secretarial Auditor do not have any adverse effect on the functioning of the company.

There being no other remarks in the Statutory and Secretarial Audit Report, the entire reports are not required to be read in this meeting and the Auditors' Reports are being taken as read.

We will be glad to answer any questions, which any Member may like to ask on the Standalone and Consolidated financial statements or on any other matter.

I would like to request Mr. Gopal, Company Secretary, to read the arrangements made for the Members at the 40<sup>th</sup> Annual General Meeting. Thank you

**Gopal:**

Thank You Ma'am,

Dear Members, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, this Annual General Meeting is being held through video conferencing/ other audio-visual means.

Further, we wish to submit that in view of the outbreak of the COVID-19 pandemic there are difficulties involved in dispatching physical copies of Annual Reports and Notice of Annual General Meeting (AGM). Accordingly, the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 5th May 2020 and the Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, have permitted the Companies to send Annual Report for the financial year 2019-20 and Notice of AGM to be held during the calendar year 2020, only through electronic mode to the shareholders whose email addresses are registered with the Company or the Depository Participant(s). Further, you may please access the annual report on the website of the Company at [www.oswalagromills.com](http://www.oswalagromills.com).

The Company has enabled the facility for the members to participate at the 40<sup>th</sup> AGM through video conferencing in association with National Securities Depository Limited (NSDL) which is facilitated by Skyline Financial Services Private Limited, Registrar and Share Transfer Agents of the Company. The proceedings of this meeting are being recorded for compliance purpose.

Please note that the facility to join the meeting through Video-conferencing/Other Audio-Visual means shall be made available to the members. All the members who have joined this meeting through video-conference shall be placed on mute by default to avoid any disturbance arising from the background noise and their video shall be disabled to ensure smooth conduct of proceedings at the meeting.

Further members are requested to use Internet connection with a good speed/latency to avoid any disturbance during the meeting. Please note that participants connecting from mobile devices/ tablets/ laptop, connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective mobile network. Accordingly, it is recommended to use stable Wi-Fi or LAN/Broadband connection to mitigate any kind of aforesaid glitches.

In accordance with the relevant provisions of the Companies Act, 2013, and Securities & Exchange Board of India and Listing Regulations, the members have been provided the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM.

Remote e-voting facility was made available to all Members holding shares as on the cut-off date i.e. September 21, 2020, during the period commencing from 9.00 AM on Friday, September 25, 2020 till 5.00 PM on Sunday, September 27, 2020. Remote e-voting has been blocked on September 27, 2020 at 5.00 PM.

Members joining the meeting through video conferencing, who have not cast their vote by means of remote e-voting, may cast their vote during the AGM through e-voting facility provided on the AGM portal provided by NSDL. The Members who have cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote against the AGM.

The e-voting facility, for those Members who are participating in this meeting and have not already voted through remote e-voting, has been activated. This facility will remain active till 15 minutes after the conclusion of the meeting.

The Board of Directors has appointed Mr. Paramnoor Singh, Chartered Accountant in Practice, to act as the Scrutinizer for this meeting. Based on the report of Scrutinizer, the combined results of remote e-voting and the e-voting done at the meeting today will be announced and displayed on the website of the Company, and will also be submitted to the stock exchanges as per the requirements under the SEBI Listing Regulations.

The Register of Director's Shareholding, register of contracts, copies of Audited Standalone and Consolidated Financial Statements are available for inspection to the Members.

I am addressing few instructions regarding the question & answer session, [shareholders may note]

- i. Once the question& answer session starts, name and folio number of Members who have registered themselves as speaker for the meeting shall be announced;
- ii. The shareholder shall raise hand on the VC portal and thereafter the host shall unmute the mic and video of such Member. If he doesn't wish to appear on video, he may ask his question or speak through audio mode only;
- iii. Just to be fair with all the speakers I request to the Members to restrict their questions to 2-3 minutes, so that all speakers will get an equal opportunity to share their views;
- iv. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

We may now proceed to commence the Question and Answer Session. Thank you.

**Questions and Answer session:**

**Gopal:**

So now I will announce the name and folio no of the shareholder who have registered themselves as the speaker shareholder with us.

I would request our speaker shareholder, please raise your hand on VC Portal so that I can hear and unmute your mic.

Mr. Yashpal Chopra, Folio No. IN30070810592558, joining from New Delhi.

Mr. Yashpal Chopra, are you there?

I think Mr. Yashpal Chopra is not connected with us, so I am proceeding to Mr. M.P. Bhopali Folio No. IN30011811371315.

Mr. M.P. Bhopali, are you there?

He is also not connecting with us so I am announcing the next name of the shareholder Mr. Rishabh Chouhan Folio No. 1204470001213230

Mr. Rishabh Chouhan can you hear me?

I think due to poor connection he is not connected with us.

I am announcing the next name Ms. Sonia, Folio No. 11438675505

Ms. Sonia are you there?

Please raise your hand.

Ms. Sonia also not connected with us.

Next is Ms. Sumati Khilani Folio No. 114386595716

Mam are you there?

**Sumati Khilani:**

Yes, Good Afternoon.

**Gopal:**

Good Afternoon Mam.



**Sumati Khilani:**

I want to know which activity & project of the Company is currently pursuing to expand the business?

**Gopal:**

Ok I request our Director Mr. Bhola Nath Gupta to please resolve the queries of shareholder.

**Mr. Bhola Nath Gupta:**

Hello, I am replying to Ms. Sumati question.

The Company actually trading accounted and engage with the other non-commercial activity like trading in commodities.

**Gopal:**

Mam do you have another question?

**Sumati Khilani:**

Thank you for your response.

**Gopal:**

Thank you Ma'am.

So there is no any other registered shareholder, I am requested to our Chairperson to be the host to thanks to all shareholder and participants.

**Dr. Aruna Oswal:**

Thank you Mr. Gopal, I would like to thank all the Members for their queries and views. All the items of business as per the notice of the 40<sup>th</sup> Annual General Meeting have been taken-up. I now declare the proceedings of the Annual General Meeting as completed. As mentioned earlier, the e-voting facility will continue to be available for 15 minutes after the conclusion of the meeting.

On behalf of the Board of Directors and Management of Oswal Agro Mills Limited, I convey our sincere thanks to all the Members for attending and participating at this meeting.

Thank you very much, have a good day.

Take Care and be safe, Thank you.

**Mr. Bhola Nath Gupta:**

Thank you.

**Gopal:**

Thank you everyone.

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