

**ANNUAL  
REPORT  
2015-16**



**Oswal Agro Mills Limited**



**Hon'ble Late Shri Abhey Kumar Oswal**

**COMPANY INFORMATION**  
Corporate Identification No (CIN) L15319PB1979PLC012267

**BOARD OF DIRECTORS**

Mrs. Aruna Oswal - Chairperson  
Mr. Anil Bhalla - Director  
Mr. Bholu Nath Gupta - CEO & Director  
Mr. Harnish Bindra - Independent Director  
Mrs. Shikha Jain - Independent Director  
Mr. Vikram - Independent Director

**REGISTERED OFFICE**

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

**COMPANY SECRETARY**

Ms. Pooja Daid

**HEAD OFFICE**

7<sup>th</sup> Floor, Antriksh Bhawan,  
22, K G Marg, New Delhi-110001  
Phone No. +91-11-23715242  
Fax No. +91-11-23716276

**CHIEF FINANCIAL OFFICER**

Mr. Parveen Chopra

**AUDITORS**

M/s T R Chadha & Co LLP  
Chartered Accountants, New Delhi

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, First Floor,  
Okhla Industrial Area, Phase-I,  
New Delhi-110020,  
Ph: +91-11-64732681-88, Fax: +91-11-26812683  
Email ID: admin@skylinerta.com

**BANKERS**

HDFC Bank Limited  
RBL Bank Limited

**CONTENTS**

	<b>Page No.</b>
Notice of the Meeting	2
Directors' Report	7
Report on Corporate Governance	20
Management Discussion and Analysis	27
Auditor's Report	28
Balance Sheet	32
Statement of Profit & Loss	33
Cash Flow Statement	34
Notes	35
Directors Report, Auditors Report and Financial Statement of Subsidiary Company	47
Auditors Report on Consolidated Accounts	49
Consolidated Financial Statement	52



Oswal Agro Mills Limited

## OSWAL AGRO MILLS LIMITED

Corporate Identification No (CIN) L15319PB1979PLC012267

Registered Office: Near Jain Colony, Vijay Inder Nagar, Daba Road,  
Ludhiana- 141003 (Punjab), Ph No- 0161-2544313

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

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

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

### NOTICE OF THE MEETING

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 29<sup>th</sup> day of September, 2016 at 12.30 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:

- 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 Financial Statements (Including Consolidated Financial Statements) as at 31<sup>st</sup> March, 2016 together with Directors' and Auditors' Report thereon, be and are hereby approved and adopted."
- To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:  
"RESOLVED THAT Mr. Bhola Nath Gupta (DIN 00562338), who retires from the office of Director by rotation in this Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed, whose office is liable to retire by rotation."
- 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 made there under M/s T R Chadha & Co LLP Chartered Accountants (A Limited Liability Partnership with LLP Identification No. AAF-3926 and ICAI Firm Registration No. 006711N/N500028) 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 Annual General Meeting of the Company and that the Board of Directors, be and are hereby authorized to fix remuneration, as may be determined by the Audit Committee in consultation with Auditors."

#### SPECIAL BUSINESS:

- Appointment of Mrs. Aruna Oswal (DIN 00988524) as Non-Executive Non-Independent Director and Chairperson 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 the provisions of Sections 152, 160 and 149 of the Companies Act, 2013 read with Rules and Articles of Association of the Company, Mrs. Aruna Oswal (DIN 00988524) who was appointed as additional director of the Company and whose period of office expires on the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Act, from a member proposing the candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director and Chairperson of the Company whose period of office shall be liable to retire by rotation."

- Appointment of Mr. Vikram (DIN 07555192) as a Non-Executive 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 the provisions of Sections 152, 160, 149 and Schedule IV of the Companies Act, 2013 read with Rules made there under and Articles of Association of the Company, Mr. Vikram (DIN 07555192) who was appointed as additional director of the Company and whose period of office expires on the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Act from a member proposing the candidature for the office of Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for 5 consecutive years, not liable to retire by rotation."

- Appointment and fixation of Remuneration of Mr. Bhola Nath Gupta (DIN 00562338) as Chief Executive Officer and Whole Time Director.**

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

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and Section 203 of the Companies Act, 2013 and applicable Rules and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the appointment and remuneration of Mr. Bhola Nath Gupta as Chief Executive Officer and Whole Time Director of the Company w.e.f. 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2019 at remuneration as below as approved by the Board:

#### Salary and Allowances:

Basic salary	Rs. 95,300/- per month
House Rent Allowance	Rs. 47,650/- per month
TPT	Rs. 800/- per month
Medical Allowance	One month salary, P.A. as per rules of the Company
Leave Travel Allowance	One month salary, P.A. as per rules of the Company
Bonus	As per Company's Policy
PF, Gratuity etc.	Company's Contribution to Provident Fund, Gratuity payable and Encashment of un-availed leave, ex gratia and re-imbursement of expenses as per Rules of the Company.

**RESOLVED FURTHER THAT** all other terms and conditions pertaining to the appointment and remuneration of Mr. Bhola Nath Gupta (DIN 00562338), Chief Executive Officer and Whole Time Director of the Company are to be governed by the letter of appointment issued by the Company and duly accepted by Mr. Bhola Nath Gupta.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to vary or increase the remuneration in the said letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provision under the Act for the time being in force, provided however that the remuneration payable shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under and the terms of the aforesaid letter between the Company and Mr. Bhola Nath Gupta shall be suitably modified to give effect to such variation or increase as the case may be.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the terms of Mr. Bhola Nath Gupta as CEO and Whole Time Director, the remuneration set out in the aforesaid letter of appointment be paid or granted to Mr. Bhola Nath Gupta as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section IIA of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment thereof."

By Order of the Board  
For Oswal Agro Mills Limited

Pooja Daid  
Company Secretary

Place : New Delhi  
Dated : 29.06.2016

**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 himself / herself 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 form part of this Notice.
3. As per the requirement of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for appointment of the Director(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, 2016 to 29<sup>th</sup> September, 2016 (both days inclusive).
7. Cut-Off Date:
  - i) The notice is being sent to all the members, whose name appears as on 12<sup>th</sup> August, 2016 in the register of members or beneficial owners as received from M/s Skyline Financial Services Private Limited, Registrar & Share Transfer Agent of the Company.
  - ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Thursday, 22<sup>nd</sup> September 2016 (the "Cut-Off Date"), only shall be entitled to vote through Remote e-voting and at the AGM of the Company. The voting rights of Members shall be in proportion to the number of shares held by them as on the cut-off Date.
8. 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.
9. 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.
10. 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.
11. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail id 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.
12. The notice of the AGM along with the Annual Report for the financial year 2015-16 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.
13. 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.
14. 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.



**Oswal Agro Mills Limited**

15. Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.
16. The Securities and 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.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members at the Annual General Meeting.
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. from the Company in electronic mode.
19. **Remote e-voting Facility**

In accordance with the provision of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, 2015, the shareholders may exercise their option to participate through electronic voting system and the Company is providing the facility for voting by electronics means (Remote e-voting) to all its members. The Company has engaged the services of National Securities Depositories Limited (NSDL) to provide Remote e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this Remote e-voting facility is optional and not mandatory. The process and manner of Remote e-voting are as under:-

- a) In case, member receive e-mail from NSDL (for Members whose email addresses are registered with the Company/Depository Participant(s)), the member should open the PDF file attached with the e-mail. The said PDF file contains his/her user ID/ Password for e-voting. Please note that the password is an initial password.
- b) In case, member receives AGM Notice in physical form (for Members whose email addresses are not registered with the Company/Depository Participants), the "USER-ID" and initial "PASSWORD" for remote e-voting is provided on the covering letter enclosed with Annual Report.
- c) In case, any member does not receive 'User-ID' and 'Password' as mentioned in Sr. No. (a) and (b), then they shall contact the NSDL on toll free no. 1800-222-990.
- d) The following steps should be followed for casting the vote through remote e-voting (In both the cases mentioned at Sr. No. 19 (a) and 19(b) above:
  - i. Open internet browser and type the following URL: <http://www.evoting.nsd.com>
  - ii. Click on Shareholder – Login
  - iii. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - iv. If you are logging in for the first time, please enter the user ID and password provided through e-mail (as per Sr. No. 19 (a) above) or in physical form (as per Sr. No. 19 (b) above), as the case may be.
  - v. Password change menu will appear on your screen. Change to a new password of your choice, ensure that it contains a minimum of 8 digit or characters or a combination of both. Please keep your password confidential.
  - vi. Home page of remote e-voting opens. Click on remote e-voting: Active voting cycle.
  - vii. Select "EVEN" (e-voting Event Number) of Oswal Agro Mills Limited.
  - viii. Now you are ready for e-voting as Cast Vote page opens.
  - ix. The voting rights of the shareholders shall be reckoned in proportion to their shares held in the total paid up equity share capital of the Company as on cut-off date i.e., 22<sup>nd</sup> September, 2016.
  - x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xiii. Corporate/Institutional members (i.e. other than Individuals, HUF/NRI etc.) are also required to send scanned certified true copy (PDF format) of the Board Resolution/Authority letter, etc. together with attested specimen signature(s) of duly authorized representative (s), to the Scrutinizer through e-mail at [paramnoor.singh@gmail.com](mailto:paramnoor.singh@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and a copy to [cs@oswalagromills.com](mailto:cs@oswalagromills.com) of the Company.
- e) The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote.
- f) The remote e-voting period shall commence on Monday, 26<sup>th</sup> September, 2016 (9.00 A.M.) and ends on Wednesday, 28<sup>th</sup> September, 2016 (5.00 P.M.). Thereafter, the remote e-voting facility will be blocked.
- g) Any person who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of 22<sup>nd</sup> September, 2016, may obtain their user ID and password for e-voting from the Company's Registrar & Share Transfer Agent or NSDL.
- h) In case of any queries, you may refer the Frequently Asked Question (FAQs) – Shareholders and remote e-voting user manual– Shareholders, available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com)
- i) You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication.
- j) Any person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories/Share transfer agent as on cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through Ballot paper.

- k) The Company has appointed Mr. Paramnoor Singh, Practicing Chartered Accountant, Membership No 515572 as 'Scrutinizer' for conducting and scrutinizing the voting process (Ballot Paper as well as Remote e-voting) in a fair and transparent manner.
- l) The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the AGM by Ballot Papers and thereafter unlock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make, within a period not exceeding two days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of meeting or a person authorized by him in writing.
- m) The Results of voting along with the report of the Scrutinizer shall be placed on the website of the Company [www.oswalagromills.com](http://www.oswalagromills.com) and on the website of NSDL immediately after the declaration of result by the Chairman of the meeting or a person authorized by him. The results shall also be forwarded to Stock Exchange.

**INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF REGULATION 36 OF SEBI LISTING REGULATIONS, 2015 WITH STOCK EXCHANGES**

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

**1. MR. BHOLA NATH GUPTA**

Mr. Bhola Nath Gupta is 66 years of age. He was appointed on the Board of the Company w.e.f. 14<sup>th</sup> May, 2004. He is a qualified engineer and MBA also in the field of finance from the Punjab University. He has good knowledge in the field of finance. He has 41 years of experience in the field of commercial and general administration also. He is a member of Audit Committee, Investor Grievance Committee and Share Transfer Committee in your Company.

**2. MRS. ARUNA OSWAL**

Mrs. Aruna Oswal is the wife of famous Industrialist Late Mr. Abhey Kumar Oswal. She holds the degree of Master of Arts. She is associated with the Company since long time. The Oswal's under her leadership donated US \$ 3.2 Million to Lions Club International for establishing 4 Mega Eye Care Hospitals in India. She is presently a Board appointee Lions Club International Foundation serving as Vice Chairperson steering Committee. She is head trustee of Loomba Foundation in India. The Foundation works majorly to provide education to children of widows and program of women empowerment. She is acting as a Co-president and international trustee to World Council of Religion for Peace. She is also representing as Vice President to the World Jain Confederation and supporting their philosophy which benefits the community at large. She is representing the Board on Women Task Force at PHD family welfare. Aruna Oswal is always proud of Abhey Oswal who has remained with her throughout her success. She is having the expertise in the financial and legal matters of the Company. She also looks after the administrative work of the Company.

She is a Whole Time Director and Committee Member on the Board of Oswal Greentech Limited. She is member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee of your Company. She being a promoter of your Company also holds 56,026,460 shares of the Company.

**3. MR. VIKRAM**

Mr. Vikram is 33 years of age. He is a Commerce graduate and a member of the Institute of Chartered Accountants of India. He has good knowledge in the field of finance, taxation, company law matters, commercial matters. and general administration also. He does not holds the Directorship and Committee Membership of any other listed entity. He is a member of Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee in your Company. Neither he nor any of his family members hold any shares of your Company.

**STATEMENT IN RESPECT OF SPECIAL BUSINESS**

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

**ITEM NO 4:**

Mrs. Aruna Oswal was appointed as an Additional Director of the Company w.e.f. 2<sup>nd</sup> April, 2016, and pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Rules and Articles of Association of the Company, she shall hold office of the Director, as such, up to the date of ensuing Annual General Meeting.

The Company has received notice in writing from one of the members in compliance with the provisions of Section 160 of the Companies Act, 2013 read with rules proposing his candidature for the office of Director of the Company.

The Board also considers that it is in the interest of the Company to continue to have the benefit of experience and knowledge of Mrs. Aruna Oswal. Accordingly, the Board recommends her appointment as a Director of the Company whose period of office shall be liable to retire by rotation.

In the opinion of the Board, the Director fulfills the conditions specified in the Act and the rules framed there under and the SEBI Listing Regulations, 2015 for being appointed as Non-Executive Non-Independent Director and Chairperson of the Company and the appointment is now being placed before the Members for their approval.

Except Mrs. Aruna Oswal and her relatives, none of the Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no 4. The Board recommends the resolution for your approval.

Mrs. Aruna Oswal is also member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee in your Company. She is the Promoter of the Company.

**ITEM NO 5:**

Mr. Vikram was appointed as an Additional Director of the Company w. e. f. 29<sup>th</sup> June, 2016 and pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association 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 stating that he meets the criteria of independence as provided under Section 149 (6) of the Act.



**Oswal Agro Mills Limited**

The Company has received notice in writing from one of the members in compliance with the provisions of Section 160 of the Companies Act, 2013 read with rules made thereunder, proposing his candidature for the office of Director of the Company.

The Board also considers that it is in the interest of the Company to continue to have the benefit of experience and knowledge of Mr. Vikram. Accordingly, the Board also recommends his appointment as an Independent Director of the Company to hold office for 5 consecutive years, not being liable to retire by rotation.

In the opinion of the Board, the Director fulfills the conditions specified in the Act and the rules framed there under and the SEBI Listing Regulations, 2015 for being appointed as Non-Executive Independent Director of the Company.

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. Vikram and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no 5. The Board recommends the resolution for your approval.

**ITEM NO 6**

Mr. Bhola Nath Gupta, (DIN 00562338) was appointed as Chief Executive Officer and Director of the Company w.e.f. 1<sup>st</sup> April, 2014 for a period of 3 years. The tenure of Mr. Bhola Nath Gupta is going to complete on 31<sup>st</sup> March, 2017. Due to his valuable contribution in the growth of the Company, the Board of Directors of your Company proposed the appointment of Mr. Bhola Nath Gupta as Chief Executive Officer and Whole Time Director of your Company for a period of 3 years commencing from 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2019 without making any modification in his existing salary as also stated in Resolution No. 6 above which is within the limits as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

The Board recommends the passing of the Resolution No. 6, by way of Special Resolution as per requirement of Companies Act, 2013, for approval. The Board of Directors has already approved the remuneration and in compliance with provisions of Section 197 read with Schedule V of the Companies Act, 2013 read with rules made thereunder, a special resolution is required to be passed by the Members in the ensuing Annual General Meeting. Your approval is being sought for passing the Special Resolution as set out in this Notice.

None of the Directors and their relatives, except Mr. Bhola Nath Gupta (DIN 00562338), is interested or concerned in the resolution.

By Order of the Board  
For Oswal Agro Mills Limited

Pooja Daid  
Company Secretary

Place : New Delhi  
Dated : 29.06.2016



## DIRECTORS' REPORT

To,  
The Members  
Oswal Agro Mills Limited

Your Directors take the pleasure in presenting their 36<sup>th</sup> Annual Report and Audited Financial Statement of the Company along with Auditors' Report thereon for the year ended 31<sup>st</sup> March, 2016.

Mr. Abhey Kumar Oswal, our founder Chairman left for his heavenly abode on 29<sup>th</sup> March, 2016 in Russia where he was exploring new business opportunities for the Company. He was truly a visionary leader who devoted his life for the growth and development of the Company and its business.

The Board of Directors take on record the immeasurable contribution made by Mr. Abhey Kumar Oswal in the growth of the Company.

His untiring efforts have led the Company to be amongst the most successful, growth oriented and respected companies in the country. After promoting this Company at his early age, he had set up two sugar mills at Phagwara (Punjab) and Dhanaura (U.P.) and had taken over the petrochemical plant from Union Carbide at Chembur, Mumbai.

He provided a strong leadership to the Company and the board of directors, management and other employees will always feel the vacuum created by his sudden death.

The Board of Directors have now elected Mrs. Aruna Oswal as the Chairperson of the Company. Mrs. Aruna Oswal comes from a business family and was actively engaged in the management and running of business concerns prior to her appointment in Oswal Agro Mills Limited as Additional Director. She is International Director in Lions Club International and is widely travelled across the globe. She will continue to implement the vision and ideology of Mr. Abhey Kumar Oswal.

### FINANCIAL HIGHLIGHTS

(₹ in thousands)

PARTICULARS	Current Year 31.03.2016	Previous Year 31.03.2015
Operating & other Income	3,06,351.58	5,09,046.52
Profit/(Loss) before Depreciation & Provision for Taxation	66,858.43	1,85,238.35
Less : Depreciation	1,747.81	1,603.51
: Provision for Tax	17,402.32	38,564.00
: Deferred Tax	6,744.60	-
Profit/(Loss) after Depreciation & Tax	40,963.70	1,45,070.84
Add: Balance brought forward from Previous year	(4,90,241.95)	(6,35,282.97)
Less: Adjustment for Depreciation	-	29.82
Balance carried to Balance Sheet	(4,49,278.25)	(4,90,241.95)

### REVIEW OF OPERATIONS & FUTURE OUTLOOK

During the year, the Company undertook trading activities in the real estate sector. The Company has earned Profit before tax of ₹ 65110.62 thousands and Profit after tax of ₹ 40963.70 thousands as against Profit before tax of ₹ 183634.84 thousands and Profit after tax of ₹ 145070.84 thousands in the previous year.

### SUBSIDIARY COMPANY AND ASSOCIATES

#### SUBSIDIARY

The Company has one subsidiary namely M/s Oswal Overseas Ltd. at UAE.

#### ASSOCIATE

The Company has two associate companies namely M/s Oswal Greentech Ltd. and M/s News Nation Network Private Limited.

#### DIVIDEND

Your directors are not recommending any dividend in view of requirements of funds for various projects being undertaken by the Company.

#### MATERIAL CHANGES

There are no material changes to report for.

#### PUBLIC DEPOSITS

The Company has not accepted or renewed any Deposit within the meaning of Section 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

#### STATUTORY AUDITORS AND THEIR REPORT

M/s T R Chadha & Co, Chartered Accountants, (Registration No. 006711N), the Statutory Auditors of the Company have converted their partnership firm into Limited Liability Partnership and thus changed their constitution w.e.f. 28<sup>th</sup> December, 2015 and are known as M/s T R Chadha & Co LLP (A Limited Liability Partnership with LLP Identification No. AAF-3926). They are the Statutory Auditors of the Company till the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. The Auditors' Report is enclosed with the financial statements in this Annual Report.

#### SECRETARIAL AUDITORS AND THEIR REPORT

The Board has appointed M/s CT & Company, Company Secretaries, New Delhi to conduct Secretarial Audit for the F.Y. 2015-16. The Secretarial Audit report for the financial year ended 31<sup>st</sup> March, 2016 is enclosed as Annexure-I. The said report does not contain any qualification, reservation and adverse remarks.

#### EXTRACTS OF ANNUAL RETURN AND OTHER DISCLOSURES UNDER COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

The extract of Annual Return pursuant to the provisions of Section 92 read with rule 12 of the Companies (Management & Administration) Rules, 2014 is furnished in Annexure-II and is attached to this report.



**Oswal Agro Mills Limited**

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bhola Nath Gupta, CEO & Director of the Company, who retire by rotation and being eligible, offers himself for re-appointment. Your Board of Directors recommend his re-appointment.

As required under Regulation 36 of SEBI Listing Regulations 2015, the requisite information of Mr. Bhola Nath Gupta, in the nature of brief resume, nature of expertise, companies in which he hold Directorship/Membership of Board Committees, shareholding in all Companies, forms part of the Notice of the Annual General Meeting.

In accordance with the provisions of Section 196, 197 read with schedule V and Section 203 of Companies Act, 2013 read with rules, the Board proposes the appointment with remuneration of Mr. Bhola Nath Gupta (DIN 00562338) as CEO and Director of the Company.

Mrs. Aruna Oswal is appointed as Additional Director and Chairperson of the Company w.e.f. 02.04.2016.

In compliance with the provisions of Section 160, the Company has received a notice from one of the member proposing appointment of Mr. Vikram (DIN 07555192) as the Non-Executive Independent Director of the Company for a period of five years. The Company has also received the requisite disclosures/declarations from Mr. Vikram as required under Section 149 and other applicable provisions of the Companies Act, 2013.

Details of the proposal for the appointment and remuneration of above Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the Annual General Meeting.

Mr. Vishal Mishra (DIN 07238903), Independent Non-Executive Director of the Company placed his resignation dated 16.06.2016 to the Company and the same was acknowledged and taken on record by the Board of Directors w.e.f. 29.06.2016 in its Board Meeting held on 29.06.2016. The Board has placed on record the contribution made by Mr. Vishal Mishra to the Company during his tenure.

Mr. Abhey Kumar Oswal is no more on the Board of the Company w.e.f. 29<sup>th</sup> March, 2016 due to his death.

During the year, Mr. R.P. Jolly, Company Secretary of the Company was also demised on 23.01.2016. The Board of Directors placed on record their appreciation for the dedication and services rendered by Mr. R.P. Jolly to the Company during the tenure of his services. To fill the casual vacancy of Company Secretary of the Company, the Board has appointed Ms. Pooja Daid as Company Secretary and Compliance officer of the Company w.e.f. 17.03.2016.

#### **DECLARATION ON INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director u/s 149 (7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:-**

Pursuant to the requirement under Section 134 sub-section 3 (c) and sub-section (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby stated and confirmed that:-

- i. in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- iii. that directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis;
- v. that the directors had laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- vi. that directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **AUDIT COMMITTEE**

The audit committee has met 4 times and reviewed the financial statements for the each quarter/financial year ended at 31.03.2016 and has not given any adverse observations.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI Listing Regulations, 2015 is presented in a separate section forming part of the Annual Report.

#### **CORPORATE GOVERNANCE**

The Company has a strong legacy of fair, transparent and ethical governance practices. The directors present the Company's report on Corporate Governance in compliance with Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of SEBI Listing Regulations 2015.

As per SEBI Listing Regulations 2015 a separate section on Corporate Governance practice followed by the Company, together with a certificate from the Company's Statutory Auditor confirming compliance, forms an integral part of this report.

#### **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees in terms of remuneration drawn is furnished in Annexure-III and is attached to this report. Further, none of the employee of the Company is drawing remuneration in excess of the limits prescribed u/s 197 of the Companies Act, 2013 read with rules made thereunder during the financial year.

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met six times during the Financial Year 2015-16, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The intervening gap between any two meetings is within the period prescribed by the Companies Act, 2013.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED U/S 186**

Particulars of loans given are provided under Note No. 2.32 to the financial statement. Particulars of investment made are provided under Note No. 2.9 and Note No. 2.11 to the Financial Statement provided in this Annual Report. The Company has not given any guarantee or security in connection with loan to any other body corporate or person.

#### **PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY REFERRED TO IN SUB-SECTION (1) OF SECTION 188**

With reference to Section 134 (3) (h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company has not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions. Accordingly, there are no transactions that are required to be reported in form AOC-2.

A detailed report on related party disclosures during the financial year 2015-16 has been reported and annexed as Note No. 2.30 to the Standalone Financial Statement.

#### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information in accordance with the provision of Section 134 (m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption are not applicable to the Company. During the year under review, there are no foreign exchange earnings and outgo (Previous years-NIL).

#### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143 (12) of the Companies Act, 2013, including rules made thereunder.

#### **POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to Section 134 (3) (e) and Section 178 (3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as Annexure- IV respectively, which forms part of this report.

#### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. The Board is responsible for preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, identifying and reviewing critical risks on regular basis.

The risks faced by the Company, their impact and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. The non-critical risks faced by the Company and their mitigation are also reviewed by the Board from time to time.

Further, the risks control systems are instituted to ensure that the risks in each business process are mitigated. The Board provides oversight and reviews the Risk Management Policy from time to time. The Board is responsible for framing, implementing and monitoring the risk management plan of the Company.

In the opinion of the Board, there has been no identification of elements of risk that may threaten the existence of the Company.

#### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) INITIATIVES**

The Company has in place a CSR policy in line with Schedule VII of the Companies Act, 2013. As per the policy, the CSR activities are focused not just around the offices of the Company but also in other geographies based on the needs of the communities.

The Company has actively contributed to "Mohan Dai Oswal Cancer Treatment and Research Foundation" for providing medical facilities to the underprivileged.

The annual report on CSR activities in the prescribed format under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure-V.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. A structured questionnaire, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., is in place. Similarly, for evaluation of individual Director's performance, the questionnaire covering various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., is also in place. The Board members have submitted their response for evaluating the entire Board, respective committees of which they are members and of their peer Board members, including Chairman of the Board.

A separate meeting of Independent Directors was held on 9<sup>th</sup> November, 2015 without the presence of Non-Independent Directors and the members of management discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non- Executive Directors. The Nomination and



**Oswal Agro Mills Limited**

Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires. The Directors expressed their satisfaction with the evaluation process.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Board has accepted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Companies policies, safeguarding of its assets, prevention and detection of frauds and errors, adequacy and completeness of accounting standards and the timely preparation of reliable financial disclosures.

The Company's internal control system is commensurate with the nature, size and complexities of operations. These systems are regularly reviewed by the statutory and internal auditors. Significant audit observations and follow up actions are reviewed by the audit committee.

The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. During the year the Internal auditors have also been engaged for providing assistance in improvising IFC framework including preparation of Management Risk Control Matrix for various processes and deployment of Self Assessment Tool.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

The internal financial controls were in operation during the reporting period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. Our management assessed the effectiveness of the Company's internal control over financial reporting as of 31<sup>st</sup> March, 2016.

T R Chadha & Co LLP, Chartered Accountants, the statutory auditors have audited the financial statements. They have assessed the internal financial controls including the Entity Level Controls, Process Application and Transaction Controls and Information Technology General Controls.

The audit committee review reports have been submitted by the management and audit reports have been submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

The Company has a comprehensive risk management framework. The Company has in place a well-defined Whistle Blower Policy/ Vigil Mechanism. Compliance of secretarial functions is ensured by way of secretarial audit.

Based on its evaluation as defined in Section 177 of Companies Act 2013 and Regulation 18 of SEBI Listing Regulations 2015, the audit committee has concluded that as on 31<sup>st</sup> March, 2016, the internal financial controls were adequate and operating effectively.

**CODE OF CONDUCT**

The Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel (SMP) of the Company. The Code covers company's commitment to the Corporate Social Responsibility and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance. The Code is available on the company's corporate website.

All Board Members and SMP have given their affirmations of compliance with the code. A declaration to this effect signed by CEO & Managing Director is enclosed and forms part of the Annual Report.

**HUMAN RELATIONS**

The Board of Directors would like to take this opportunity to place on record its appreciation for the committed services and contributions made by the employees of the Company during the year.

**LISTING**

Your Company's equity shares are listed at- Bombay Stock Exchange Ltd. (BSE), National Stock Exchanges of India Ltd. (NSE), Delhi Stock Exchange Ltd. (DSE), Calcutta Stock Exchange Association Ltd. (CSE), Ahmedabad Stock Exchange Ltd. (ASE), the U.P. Stock Exchange Association Ltd. (UPSE) and Chennai Stock Exchange Ltd. (CSE).

As on date, the shares of the Company are not traded at DSE, CSE, ASE, UPSE and CSE stock exchanges as all these stock exchanges have no operations.

The Company equity shares are frequently traded with Bombay 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 Company continues to occupy a place of respect among stakeholders, most of all our valuable customers. Your Directors would like to express their sincere appreciation for assistance and cooperation received from the vendors and stakeholders including financial institution, banks, government authorities, customers and other business associates, who have extended their valuable and sustained support and encouragement during the year under review. It will be the Company endeavor to build and nurture their links with its stakeholders. The directors express their appreciation of the dedicated and sincere services rendered by employees of the Company at various levels, to the growth & success of the Company.

By Order of the Board  
For Oswal Agro Mills Limited

Place : New Delhi  
Dated : 29.06.2016

Anil Bhalla  
Director

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH, 2016  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule*  
*No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**M/s Oswal Agro Mills Limited,**  
Near Jain Colony,  
Vijay Inder Nagar, Daba Road,  
Ludhiana-141003 (Punjab)

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **M/s Oswal Agro Mills Limited** (CIN L15319PB1979PLC012267) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. We wish to state that the Company's Management is responsible for preparation and maintenance of secretarial records and ensuring compliance with applicable laws and regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives and representation made during the conduct of secretarial audit, We hereby report that in our opinion, the Company has during the audit period ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Oswal Agro Mills Limited** ("The Company") for the period ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable**
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable**
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - **Not Applicable**

**We have also examined compliance with the applicable clauses of the following:**

- a) Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015
- b) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited /SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015

During the period under review, we report that, the Company has generally complied with the provisions of the Act, Rules, Regulations and guidelines mentioned above to the extent applicable.

**We further report that:**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



**Oswal Agro Mills Limited**

**We further report that:**

- a) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) The Company has obtained all necessary approvals under the various provisions of the Act; and
- c) There was no prosecution initiated during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.
- d) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- e) During the audit period, the Company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above. There were no specific instances of:
  - i. Public/Right/Preferential issue of shares/debentures/sweat equity etc.
  - ii. Redemption/buy-back of securities
  - iii. Major decisions taken by the members in pursuance to section 180 of Companies Act, 2013
  - iv. Merger/amalgamation/reconstruction etc.
  - v. Foreign technical collaborations.
- f) We further report that the other specific instances of observation made during the course of audit are stated in annexure to this report.

For CT & Company  
Company Secretaries

**Shivam Garg**  
Partner  
COP No. 16406  
Membership No. A44577

Place : New Delhi  
Date : 29.06.2016

This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of the report.

**"Annexure-A"**

To,  
The Members,  
**M/s Oswal Agro Mills Limited,**  
Near Jain Colony,  
Vijay Inder Nagar, Daba Road,  
Ludhiana-141003 (Punjab)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For CT & Company  
Company Secretaries

**Shivam Garg**  
Partner  
COP No. 16406  
Membership No. A44577

Place : New Delhi  
Date : 29.06.2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

<b>S. No</b>	<b>CIN NO</b>	: L15319PB1979PLC012267
1.	Registration Date	: 14/12/1979
2.	Name of the Company	: OSWAL AGRO MILLS LIMITED
3.	Category/Sub-Category of the Company	: Company Limited by Shares; Indian Non Govt. Company
4.	Address of the Registered office and contact details	: Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Pb.) Phone: 0161-2544313 Fax: 011-23716276 Email: oswal@oswalagromills.com Website: www.oswalagromills.com
5.	Whether listed Company	: Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Skyline Financial Services Pvt. Ltd. D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone: +9111-64732681-88, Fax: +9111-26812683 E-mail: admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Real Estate	68200	49.35%
2.	Investing	-	49.03%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Oswal Overseas Limited (UAE)	-	Wholly owned Subsidiary	100%	2(87)(ii)
2.	Oswal Greentech Limited	L24112PB1981PLC031099	Associate	35.58%	2(6)
3.	News Nation Network Private Limited	U51909DL2010PTC242741	Associate	22.84%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) <i>Indian</i>									
a) Individual/ HUF	56026460	-	56026460	41.74	56026460	-	56026460	41.74	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	7222	-	7222	0.01	7222	-	7222	0.01	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	<b>56033682</b>		<b>56033682</b>	<b>41.74</b>	<b>56033682</b>		<b>56033682</b>	<b>41.74</b>	<b>-</b>
2) <i>Foreign</i>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corporate	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	15200	15200	0.01	–	15200	15200	0.01	–
b) Banks / FI	3586545	85309	3671854	2.74	3586545	85309	3671854	2.74	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	459000	–	459000	0.34	459000	–	459000	0.34	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total(B)(1)</b>	<b>4045545</b>	<b>100509</b>	<b>4146054</b>	<b>3.09</b>	<b>4045545</b>	<b>100509</b>	<b>4146054</b>	<b>3.09</b>	<b>–</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	10223230	12268278	22491508	16.76	15536362	6761471	22297833	16.61	(0.15)
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2033295	19893647	40226604	29.97	20375668	19455721	39831389	29.67	(0.30)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7779609	442079	8221688	6.12	8880145	444693	9324838	6.95	0.83
c) Others (Specify)									
(i) N.R.I. (REPT & NON-REPT)	942283	384453	1326736	0.99	203958	381743	585701	0.44	(0.55)
(ii) Clearing House/ Public Trust	24050	–	24050	0.02	23450	–	23450	0.02	–
(iii) Corporate Bodies – OCB	–	110900	110900	0.08	–	110900	110900	0.08	–
(iv) Hindu Undivided Family	1611316	30	1611346	1.20	1828613	–	1828613	1.36	0.16
(v) Clearing Members	42208	–	42208	0.03	52316	–	52316	0.04	0.01
<b>Sub-total(B)(2)</b>	<b>40955653</b>	<b>33099387</b>	<b>74055040</b>	<b>55.17</b>	<b>46900512</b>	<b>27154528</b>	<b>74055040</b>	<b>55.17</b>	<b>–</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	45001198	33199896	78201094	58.26	50946057	27255037	78201094	58.26	–
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total(A+B+C)</b>	<b>101034880</b>	<b>124131296</b>	<b>134234776</b>	<b>100</b>	<b>106979739</b>	<b>27255037</b>	<b>134234776</b>	<b>100</b>	<b>–</b>

(ii) Shareholding of Promoters(including Promoter group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered	No. of Shares	% of total Shares of the Company	% of Pledged/ encumbered to total shares	
1.	Aruna Oswal	2495500	1.86	–	56026460	41.74	–	39.88
2.	Abhey Kumar Oswal*	53530960	39.88	–	0	0	–	(39.88)
3.	Oswal Greentech Limited (Formerly Oswal Chemicals & Fertilizers Ltd.)	1000	–	–	1000	–	–	–
4.	P C Media Systems Ltd.	6222	–	–	6222	–	–	–
	<b>Total</b>	<b>56033682</b>	<b>41.74</b>	<b>–</b>	<b>56033682</b>	<b>41.74</b>	<b>–</b>	<b>–</b>

\* On the demise of Mr. Abhey Kumar Oswal on 29<sup>th</sup> March, 2016, 5,35,30,960 shares held by him vests in his nominee, Mrs. Aruna Oswal (wife). The transmission was registered on 16<sup>th</sup> April, 2016.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in the shareholding of the Promoters.



iv. Shareholding pattern of Top 10 Share Holders Other than Promoters and Directors

Sr. No.	For each of top 10 Shareholder	Transaction Date	Reason	Increase/ Decrease	Shareholding at the beginning of year		Cumulative Shareholding during the year	
					No of Shares	% To the Total Shares	No of Shares	% To the Total Shares
<b>1</b>	<b>TUSHAR HOLDINGS LTD</b>							
	At the beginning of the year	01.04.2015	-	-	4628510	3.4481	4628510	3.4481
	Change during the year	-	-	-	-	-	4628510	3.4481
	At the end of the year	31.03.2016	-	-	4628510	3.4481	4628510	3.4481
<b>2</b>	<b>RIVER FINANCE LIMITED</b>							
	At the beginning of the year	01.04.2015			3000000	2.2349	3000000	2.2349
	Change during the year	24.07.2015	Purchase	330271	-	-	330271	2.4809
	At the end of the year	31.03.2016	-	-	3330271	2.4809	3330271	2.4809
<b>3</b>	<b>JALAVEG INVESTMENT AND TRADING CO LTD</b>							
	At the beginning of the year	01.04.2015	-	-	3305000	2.4621	3305000	2.4621
	Change during the year	-	-	-	-	-	3305000	2.4621
	At the end of the year	31.03.2016	-	-	3305000	2.4621	3305000	2.4621
<b>4</b>	<b>SKA HOLDINGS LIMITED</b>							
	At the beginning of the year	01.04.2015			1700888	1.267	1700888	1.267
	Change during the year	20.06.2015	Purchase	1204079	-	-	2904967	2.1640
	At the end of the year	31.03.2016			2904967	2.1640	2904967	2.1640
<b>5</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>							
	At the beginning of the year	01.04.2015			2693170	2.0063	2693170	2.0063
	Change during the year	-	-	-	-	-	2693170	2.0063
	At the end of the year	31.03.2016			2693170	2.0063	2693170	2.0063
<b>6.</b>	<b>DENVER TRADING COMPANY LIMITED*</b>							
	At the beginning of the year	01.04.2015			1343098	1.0006	1343098	1.0006
	Change during the year		-1	Sale	-	-	1343097	1.0006
	At the end of the year	31.03.2016			1343097	1.0006	1343097	1.0006
<b>7</b>	<b>LUCKY STAR ENTERTAINMENT LTD</b>							
	At the beginning of the year	01.04.2015			672952	0.5013	672952	0.5013
	Change during the year		-	-	-	-	672952	0.5013
	At the end of the year	31.03.2016	0		672952	0.5013	672952	0.5013
<b>8</b>	<b>RED STRIPE TRADING COMPANY LTD*</b>							
	At the beginning of the year	01.04.2015			600000	0.4470	600000	0.4470
	Change during the year	-	-	-	-	-	600000	0.4470
	At the end of the year	31.03.2016			600000	0.4470	600000	0.4470
<b>9</b>	<b>CRESCO FUTURES LIMITED</b>							
	At the beginning of the year	01.04.2015			0	0	0	0
	Change during the year	05.06.2015	174230	Purchase	-	-	174230	0.1298
		12.06.2015	230715	Purchase	-	-	404945	0.3017
		30.06.2015	49176	Purchase	-	-	454121	0.3383
		03.07.2015	- 139290	Sale	-	-	314831	0.2345
		10.07.2015	- 152577	Sale	-	-	162254	0.1209
		17.07.2015	- 46753	Sale	-	-	115501	0.0860
		24.07.2015	101724	Purchase	-	-	217225	0.1618
		31.07.2015	18160	Purchase	-	-	235385	0.1754
		07.08.2015	215913	Purchase	-	-	451298	0.3362
		14.08.2015	85715	Purchase	-	-	537013	0.4001
		21.08.2015	123785	Purchase	-	-	660798	0.4923
		28.08.2015	67261	Purchase	-	-	728059	0.5424
		04.09.2015	95213	Purchase	-	-	823272	0.6133
		11.09.2015	100	Purchase	-	-	823372	0.6134
		18.09.2015	- 46530	Sale	-	-	776842	0.5787
		23.09.2015	- 24520	Sale	-	-	752322	0.5605
		30.09.2015	- 14562	Sale	-	-	737760	0.5496
		02.10.2015	1700	Purchase	-	-	739460	0.5509
		09.10.2015	- 43652	Sale	-	-	695808	0.5184
		16.10.2015	- 48889	Sale	-	-	646919	0.4819



Sr. No.	For each of top 10 Shareholder	Transaction Date	Reason	Increase/ Decrease	Shareholding at the beginning of year		Cumulative Shareholding during the year	
					No of Shares	% To the Total Shares	No of Shares	% To the Total Shares
		23.10.2015	- 11474	Sale	-	-	635445	0.4734
		13.11.2015	400	Purchase	-	-	635845	0.4737
		20.11.2015	22015	Purchase	-	-	657860	0.4901
		27.11.2015	40392	Purchase	-	-	698252	0.5202
		04.12.2015	- 62807	Sale	-	-	635445	0.4734
		31.12.2015	- 76578	Sale	-	-	558867	0.4163
		01.01.2016	- 27200	Sale	-	-	531667	0.3961
		08.01.2016	- 13203	Sale	-	-	518464	0.3862
		15.01.2016	- 17877	Sale	-	-	500587	0.3729
		22.01.2016	- 1	Sale	-	-	500586	0.3729
	<b>At the end of the year</b>	31.03.2016			500586	0.3729	500586	0.3729
<b>10</b>	<b>R R B SECURITIES LTD</b>							
	At the beginning of the year	01.04.2015			953153	0.7101	953153	0.7101
	Change during the year	29.05.2015	Sale	- 9932			943221	0.7027
		05.06.2015	Sale	- 150000			793221	0.5909
		12.06.2015	Sale	- 78865			714356	0.5322
		19.06.2015	Sale	- 69380			644976	0.4805
		21.08.2015	Sale	- 32540			612436	0.4562
		28.08.2015	Sale	- 75000			537436	0.4004
		04.09.2015	Sale	- 90000			447436	0.3333
		11.09.2015	Sale	- 2000			445436	0.3318
		18.09.2015	Sale	- 460			444976	0.3315
		06.11.2015	Sale	- 40351			404625	0.3014
		13.11.2015	Sale	- 6665			397960	0.2965
		20.11.2015	Sale	- 50166			347794	0.2591
		27.11.2015	Sale	- 46647			301147	0.2243
		04.12.2015	Sale	- 52951			248196	0.1849
		11.12.2015	Sale	- 27744			220452	0.1642
	<b>At the end of the year</b>	31.03.2016			220452	0.1642	220452	0.1642

\*At present, Denver Trading Company Limited and Red Stripe Trading Company Ltd. have been converted into private limited companies.

(v) Shareholding of the Directors and Key Managerial Personnel

Sr. No.	For each of the Directors & KMP	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>1.</b>	<b>Abhey Kumar Oswal*</b>				
	At the Beginning of the Year	53530960	39.88	53530960	39.88
	Date wise Increase/ decrease in shareholding during the year specifying the reasons for increase or decrease	(53530960) (Due to transmission)	(39.88)	0	0
	At the end of the year	0	0	0	0
<b>2.</b>	<b>Aruna Oswal</b>				
	At the Beginning of the Year	2495500	1.86	2495500	1.86
	Date wise Increase/ decrease in shareholding during the year specifying the reasons for increase or decrease	53530960 (Due to transmission)	39.88	56026460	41.74
	At the end of the year	56026460	41.74	56026460	41.74

\* On the demise of Mr. Abhey Kumar Oswal on 29<sup>th</sup> March, 2016, 53530960 shares held by him vests in his nominee, Mrs. Aruna Oswal (wife). The transmission was registered on 16<sup>th</sup> April, 2016.

## V. INDEBTEDNESS

The Company has not availed any loan during the year and is debt-free Company.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager

The Company has not appointed Managing Director, Whole-time Directors and/or Manager during the year under reference.

### B. Remuneration to other Directors: (in thousands)

During the year 2015-16, the Company has three Independent Directors i.e., Mr. Harnish Bindra, Ms. Shikha Jain and Mr. Vishal Mishra and two Non-executive Non Independent Directors i.e., Mr. Abhey Kumar Oswal, Mr. Anil Bhalla and one Executive Director i.e. Mr. Bhola Nath Gupta. The Company has paid remuneration to Mr. Bhola Nath Gupta as CEO and Director of the Company and no remuneration paid by the Company to other directors.

### C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(₹ in thousands)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Bhola Nath Gupta, CEO & Director	Rajinder Pal Jolly (Company Secretary)*1	Pooja (Company Secretary)*2	Parveen Chopra, CFO	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1844.35	191.13	6.44	1073.62	3114.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–	–	–
2.	Stock Option	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–
4.	Commission - as % of profit - others, specify	–	–	–	–	–
5.	Others, please specify - Provident Fund	131.83	–	0.58	65.87	198.28
6.	<b>Total</b>	<b>1976.18</b>	<b>191.13</b>	<b>7.02</b>	<b>1139.49</b>	<b>3313.23</b>

\*1 Mr. Rajinder Pal Jolly ceased to be the Company secretary of the Company w.e.f. 23.01.2016 due to his death.

\*2 Ms. Pooja was appointed as Company secretary of the Company w.e.f. 17.03.2016.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/ compounding of offences for the year ending 31<sup>st</sup> March, 2016.

Annexure-III

### Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sub-Rules	Particulars		
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a) Mr. Bhola Nath Gupta, Chief Executive Officer & Director	7.11:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a) Mr. Bhola Nath Gupta, Chief Executive Officer & Director	18.56%
		b) Mr. Praveen Chopra, Chief Financial Officer	32.19%
		c) *1Mr. R.P.Jolly, Company Secretary	NIL
		d) *2Ms. Pooja Daid, Company Secretary	NA
(iii)	The percentage increase in the median remuneration of employees in the financial year.		23.86%
(iv)	The number of permanent employees on the rolls of the Company.		6



(v)	The explanation on the relationship between average increase in remuneration and Company performance.	The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness. The criteria for increase in the remuneration, amongst other things, is also related to the Individual performance, the Company's performance and such other factors more particularly described in the Policy for Remuneration of the Directors and the Policy on remuneration of Key Managerial Personnel and Employees			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For FY 2015-16, the key managerial personnel were paid around 7.61 % of the profit after tax.			
(vii)	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Financial ended	Closing share Price (BSE)	Market capitalization	Price Earning Ratio
		31.03.2016	10.82	Rs. 145.24 Crores	34.90%
		31.03.2015	12.24	Rs. 164.30 Crores	11.33%
	The Company has not made any public offer in the recent past and accordingly comparison of public offer price and current market price of the Company's Share will not be relevant.				
(viii)	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average % managerial increase has been 25.38% while for others it is about 23.53%. This is based on Remuneration policy of the Company that rewards people differentially based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relationships are taken care of.			
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Name of the KMP	Designation	Remuneration of KMP as percentage of revenue	Remuneration of KMP as percentage of PBT
		Mr. Bhola Nath Gupta	Chief Executive Officer	0.60%	2.83%
		Mr. Praveen Chopra	Chief Financial Officer	0.35%	1.65%
		Mr. R. P. Jolly*1	Company Secretary	0.06%	0.29%
(x)	The key parameters for any variable component of remuneration availed by the Directors.	The key parameters for the variable component of the remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.			
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	CEO & Director is the highest paid Director. No other employee received remuneration in excess of highest paid Director.			
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.				

\*1 Mr. R.P. Jolly, Company Secretary of the Company was expired on 23<sup>rd</sup> January, 2016.

\*2 Ms. Pooja Daid was appointed as Company Secretary of the Company w.e.f. 17<sup>th</sup> March, 2016 and thus comparison of remuneration of Ms. Pooja Daid is not relevant.

**ANNEXURE-IV**

**POLICY ON APPOINTMENT AND REMUNERATION OF BOARD MEMBERS**

**Criteria for Board Membership**

**Directors**

The Company shall take into account following points:

- Director must have relevant experience in Finance/Law/Management/Sales/Marketing/Administration/Research/Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

### Independent Director

Independent Director is a Director who has no direct or indirect material relationship with the Company or any of its officers, other than as a Director or Shareholder of the Company. Independent Director shall meet all criteria specified in Section 149 (7) of the Companies Act, 2013 and rules made thereunder and the criteria specified in SEBI Listing Regulations, 2015.

### Remuneration Policy

#### Directors

Nomination and Remuneration Committee shall recommends the remuneration for the Non-Executive Directors and Whole Time Director and other Executive Directors. This will be then approved by the Board and the shareholders of the Company, wherever it may be required. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to Non-Executive Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Whole Time Director. Salary shall be paid within the range approved by the Shareholders. Within the prescribed ceiling, the perquisites package shall also be approved by the Remuneration Committee.

The remuneration paid to Executive Directors shall be determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals/business executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and shareholders.

#### Key Managerial Personnel

The remuneration largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

**Annexure-V**

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

#### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The objective of the Policy is to operate Company's business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders and other objects of the Company alongside taking up CSR Programs, directly or indirectly, that benefit the communities and society at large, over a period of time, in enhancing the quality of life & economic well-being of the local populace.

#### 2. Projects or programmes proposed to be undertaken

- Eradicating Hunger, Poverty & Malnutrition
- Preventive Health Care
- To promote education with an aim to educate children among the weaker section of society
- Promotion of health awareness & immunity building initiatives
- To support the medical treatment of cancer patients through Mohan Dai Oswal Cancer Hospital.
- To provide residential houses to the weaker section of society.

#### The Composition of CSR Committee

CSR Committee consists of Mrs. Aruna Oswal (Chairman), Mr. Anil Bhalla, Non-Executive Directors, Mr. Harnish Bindra and Mr. Vishal Mishra, Non-Executive Independent Directors.

Mr. Abhey Kumar Oswal was the Chairman of Committee during the year 2015-16. Due to his sudden demise in Russia on 29<sup>th</sup> March, 2016, Mrs. Aruna Oswal was appointed as the Chairperson of Committee w.e.f. 2<sup>nd</sup> April, 2016.

#### 3. Average net profit of the Company for last three financial years:

Profit before tax for last three financial years:

2014-15 : NIL

2013-14 : NIL

2012-13 : NIL

Average net profit : NIL

#### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : NIL

#### 5. Details of CSR spent during the financial year

- a. Total amount spend from (April 2015 - March 2016) : NIL [The Average net profit of the Company for the three immediately preceding financial years is Nil (as per section 198 of the Companies Act, 2013), accordingly the Company is not liable to spend any amount on CSR activities as per section 135 of Act.]
- b. Amount unspent, if any: NIL

#### 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report: Not Applicable

#### 7. Responsibility statement of CSR Committee:

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with Company's CSR objectives and CSR Policy of the Company.



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees and society at large. The cardinal principles of the Corporate Philosophy of Oswal Agro Mills Limited on the Corporate Governance can be summarized in the words - Transparency, Professionalism and Accountability with an ultimate aim of value creation.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance overseas business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Company's culture and ethos.

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Healthy Corporate Governance enjoins a commitment of the Company to run the business in legal, ethical and transparent manner emanating from the top and permeating throughout the organization. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors - both domestic and foreign, and in establishing productive and lasting business relationship with all stakeholders.

#### 1. BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served.

The Composition of Board represents a healthy, blend and optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership for long term vision and to achieve the highest level of governance.

The Board critically evaluates the Company's strategic directions, management policies and their effectiveness. The Board regularly reviews inter-alia, industry environment, annual business plans and performance against the plans, business opportunities including investments/processes including material legal issues, strategy, risk management practices and approval of financial statement/ results.

##### a) Composition

At present, there are 6 Directors on the Board of the Company. The Board comprising of Executive and Non-Executive Non-Independent Directors and Non-Executive Independent Directors including a Women Director. None of the Directors of 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 positions held by them in other companies. Further, none of the Board of Directors of the Company hold office of Directorship in more than 20 companies. Mrs. Aruna Oswal was appointed as Additional Director of the Company and was elected as Chairperson of the Company. She was appointed in place of Sh. Abhey Kumar Oswal who left for heavenly abode on 29th March, 2016. The composition of the Board is in conformity with the Listing Regulations and having optimum combination of Executive and Non-Executive Directors with at least one Women Director, with not less than fifty percent of the Board comprising of Non-Executive Directors and at least one-half of the Board comprising of Independent Directors.

##### 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, 2016 and at the last Annual General Meeting is as under:-

Name of Directors	DIN No.	Designation	Category	No. of Meetings Held	No of Meetings Attended	No. of Directorship in other Companies	No of Membership in Board Committees		Attendance at the Last AGM
							As Chairman	As Member	
Mr. Anil Bhalla	00587533	Director	NENI	6	6	2	Nil	6	No
Mr. Bholu Nath Gupta	00562338	Director	ENI	6	5	-	Nil	2	Yes
Mr. Harnish Bindra	07112509	Director	NEI	6	5	-	1	3	N.A.
Mrs. Shikha Jain	02615074	Director	NEI	6	5	-	1	3	N.A.
Mr. Vishal Mishra	07238903	Director	NEI	6	2	-	1	3	Yes
Mr. Anuj Sharma <sup>27</sup>	06890713	Director	NEI	6	1	-	Nil	3	N.A.

**Note:** 1. Mr. Abhey Kumar Oswal, Director of the Company expired on 29<sup>th</sup> March, 2016 and thus, is not counted in the composition of Board of Directors as on 31<sup>st</sup> March, 2016.

2. Mr. Anuj Sharma, Non Executive Independent Director resigned from the post of Director of the Company w.e.f. 20<sup>th</sup> July, 2015.

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

During the year under review Six Board Meetings were held on 28.05.2015, 20.07.2015, 13.08.2015, 09.11.2015, 12.02.2016, and 17.03.2016. The maximum time gaps between two consecutive Board Meetings are not more than 120 days.

##### 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) Stakeholders' Relationship Committee
- 3) Nomination & Remuneration Committee

#### AUDIT COMMITTEE

The Constitution, functions and terms of reference of the Audit Committee are in conformity with Section 177 of Companies Act, 2013 read with Rules and Regulation 18 of SEBI Listing Regulations, 2015. The 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.

The Audit Committee monitors and provides re-assurance to the Board on the existence of an effective internal control environment by supervising the financial reporting process, timely and proper disclosures and transparency, integrity and quality of financial reporting.

#### (a) Terms of Reference :-

The broad terms of reference are as under:-

- 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 134 (5) of the Companies Act, 2013 ;
  - 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 transaction; 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/Vigil 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 comprises of Non-Executive Non Independent and Non-Executive Independent Directors viz. Mr. Abhey Kumar Oswal, Mr. Harnish Bindra, Mrs. Shikha Jain, and Mr. Vishal Mishra. The Audit Committee Meeting is Chaired by an Independent Director in respective meeting. The composition of Audit Committee as on 31st March, 2016 is as under:-

Name of Directors	Position	Category
Mr. Abhey Kumar Oswal*1	Member	NENI
Mr. Harnish Bindra	Chairman	NEID
Mrs. Shikha Jain*2	Member	NEID
Mr. Vishal Mishra*3	Member	NEID

\*1 Ceased to be the member w.e.f. 29.03.2016 due to death

\*2 Become member w.e.f. 28.05.2015

\*3 Become member w.e.f. 20.07.2015.

During the year, Mr. Bholu Nath Gupta has resigned from the membership of committee w.e.f. 20.07.2015 and Mr. Anuj Sharma has resigned from the directorship and committee membership of the Company w.e.f. 20.07.2015.

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 28.05.2015, 13.08.2015, 09.11.2015 and 12.02.2016. The name of Members and their attendance at the Audit Committee Meeting as at 31<sup>st</sup> March, 2016, is as under:

Name of Directors	Category	Meetings Attended
Mr. Abhey Kumar Oswal	NENI	4
Mr. Harnish Bindra	NEI	4
Mrs. Shikha Jain	NEI	3
Mr. Vishal Mishra	NEI	2
Mr. Bhola Nath Gupta	ENI	1
Mr. Anuj Sharma	NEI	1

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**a) Terms of Reference**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The broad terms of reference of the Stakeholders' Relationship Committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non- receipt of dividend/notice/annual reports, etc and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificate), transfer and transmission of securities etc

**(b) Composition and names of members**

During the year, the Stakeholders' Relationship Committee consists of Executive, Non-Executive and Independent Directors viz. Mr. Abhey Kumar Oswal, Mr. Anil Bhalla, Mr. Bhola Nath Gupta, Mr. Anuj Sharma, Mr. Harnish Bindra and Mr. Vishal Mishra.

**(c) Attendance during the year**

The Stakeholders' Relationship Committee met twice during the year. The names of Members and their attendance at the Committee meeting is as under:

Name of Directors	Category	Meetings Attended
Mr. Abhey Kumar Oswal*1	NENI	NIL
Mr. Anil Bhalla	NENI	1
Mr. Bhola Nath Gupta	ENI	2
Mr. Anuj Sharma*2	NEI	NIL
Mr. Harnish Bindra	NEI	1
Mr. Vishal Mishra*3	NEI	2

\*1 Resigned from membership of committee w.e.f. 20.07.2015

\*2 Resigned from Directorship w.e.f. 20.07.2015

\*3 Become member & Chairman w.e.f. 20.07.2015

**(d) Details of Complaints**

The Company has received 10 complaints during the year ended 31.03.2016, out of which 9 complaints have been resolved till 31.03.2016.

**NOMINATION & REMUNERATION COMMITTEE ("NRC")**

**Composition and names of members**

The Nomination and Remuneration Policy was devised in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The Nomination and Remuneration Policy of the Company is aimed at inculcating a performance driven culture. Through its comprehensive compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

The Broad terms of reference of the Nomination and Remuneration Committee are as under:

- Recommend to the Board the set up and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director." The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or re-appointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Recommend to the Board the Remuneration policy for Directors, executive team or key managerial Personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.



As on March 31<sup>st</sup>, 2016 the Nomination and Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the SEBI Listing Regulations 2015, with all Directors being Non-Executives and at least fifty percent of them being Independent Directors. As per requirement of section 178 of the Companies Act, 2013, the existing Remuneration Committee of the Company has been renamed as Nomination and Remuneration Committee of the Company. The composition of Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2016 is as under:

S. No.	Name of Members	Designation
1.	Mr. Harnish Bindra (Chairman)	Non-Executive Independent Director
2.	Mr. Abhey Kumar Oswal	Non-Executive Non Independent Director
3.	Mr. Anil Bhalla	Non-Executive Non-Independent Director
4.	Mr. Vishal Mishra	Non-Executive Independent Director
5.	Mrs. Shikha Jain	Non-Executive Independent Director

During the financial year 2015-2016, two meetings of the Nomination and Remuneration Committee were held on 23.06.2015 and 17.03.2016. Mr. Anuj Sharma, member of the committee has resigned from the directorship as well as membership of the Committee w.e.f. 20.07.2015.

The details of the meeting attended by the Nomination & Remuneration Committee members are given below:-

S. No.	Name of Members	Category	Number of meeting attended
1.	Mr. Harnish Bindra (Chairman)	NEI	2
2.	Mr. Abhey Kumar Oswal	NENI	NIL
3.	Mr. Anil Bhalla	NENI	1
4.	Mr. Vishal Mishra	NEI	1
5.	Mrs. Shikha Jain	NEI	2

The remuneration paid to the directors during the financial year were reviewed by the committee, in the meeting held during the last financial year.

The Company has no pecuniary relationship or transaction with its Non-Executive Independent Directors.

The remuneration paid to Executive Directors is within the limits as laid down under the provisions of the Companies Act, 2013 read with rules made thereunder. The Company does not have any incentive plan linked to performance or achievement of the Company's Objectives. There is no stock option scheme for any of the Directors or Employees of the Company.

As per the disclosure made by the Non-Executive Directors of the Company, none of them is holding any Equity Shares in the Company.

#### Remuneration Policy

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

The guiding principles for the Company's remuneration policies are inter-alia as follows:

- The level and composition of remuneration is competitive, reasonable and aligned to market practices and trends to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company.
- The remuneration has a fair balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- The remuneration is linked to key deliverables appropriate performance benchmarks and metrics and varies with performance and achievements.
- Alignment of performance metrics with business plans and strategy, corporate performance targets and interest with stakeholders.
- Quantitative and qualitative assessments of performance are used to making informed judgements to evaluate performances.
- Sufficiently flexible to take into account future changes in industry and compensation practice and
- The pay takes into account both external market and Company conditions to a balanced 'fair' outcome.

The Remuneration Policy of the Company for its Board Members is given in Annexure-IV of Directors' Report forming part of Annual Report of the Company.

Details of remuneration/sitting fees paid to Directors of the Company during the financial year ended March 31<sup>st</sup>, 2016 are given below:

(₹ in thousands)

S No.	Name of the Directors	Salary	Company's contribution to Provident Fund	Allowances/ Perquisites	Sitting fee for attending Board/Committee Meetings
1.	Bhola Nath Gupta	1844.35	131.83	—	—

## 2. OTHER COMMITTEE

### Corporate Social Responsibility Committee

The Board has constituted the Corporate Social Responsibility Committee ("CSR") in compliance of Section 135 of the Companies Act, 2013. The composition of CSR Committee as on 31<sup>st</sup> March, 2016 is given in Annexure-V of Board Report attached in the Annual Report of the Company.



**3. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

For the Year	2012-13	2013-14	2014-15
<b>Annual General Meeting</b>	33 <sup>rd</sup>	34 <sup>th</sup>	35 <sup>th</sup>
<b>Date &amp; Time</b>	28.09.2013 & 11.30 A.M.	30.09.2014 & 1.00 P.M.	30.09.2015 & 12.30 P.M.
<b>Venue</b>	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)
<b>Special Resolution Passed</b>	NIL	NIL	Yes, Authority to give loans, guarantees and/or make investments under Section 186 of Companies Act, 2013 read with rules

4. There was no special resolution put through postal ballot in the last Annual General Meeting (AGM) of the Company held on 30.09.2015. As on date, no special resolution is proposed to be conducted through postal ballot in the ensuing AGM.

**5. 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, forming part of Annual Report.
- During the last three years, the Company has not made any non compliance, no penalties were levied, no strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to the capital markets except a notice for non appointment of women director whereby the Company has appointed a women director and informed to the exchange.
- The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations 2015.  
The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.  
As regards the Non-mandatory requirements, the Company will endeavor to implement them to the extent possible.
- The Company has complied with all applicable accounting standards.
- The Company has one subsidiary namely M/s Oswal Overseas Ltd. at UAE.
- 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/Vigil Mechanism Policy : The Company has adopted a Whistle Blower Policy/Vigil Mechanism Policy and has established the necessary mechanism for employees to report Vigil Mechanism to the management, concerns, about ethical behavior or actual or suspected fraud or violation of the Company's code of conduct or ethics policy and compliance mechanism under SEBI (Insider Trading) Regulations 1992 and 2015. Further, no member of staff has been denied access to the Audit Committee.

**6. CEO/CFO CERTIFICATE**

As required by SEBI Listing Regulations 2015, the CEO certification is provided in this Annual Report.

**7. 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 in compliance with the applicable laws, rules and regulations and the Articles of Association of the Company.

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

Details of the Director(s) seeking Appointment/Reappointment in the forthcoming Annual General Meeting pursuant to Regulation 36 of SEBI Listing Regulations 2015 is given in the notes to the notice of the forthcoming Annual General Meeting.

**9. MEANS OF COMMUNICATION**

The Quarterly Financial Results of the Company 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).

**10. GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting is propose to be held:

Date	: 29 <sup>th</sup> September, 2016
Day	: Thursday
Venue	: Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)
Book Closure Date	: 23 <sup>rd</sup> September, 2016 to 29 <sup>th</sup> September, 2016 (both days Inclusive)
Dividend Payment	: The Directors have not proposed any dividend for the financial year ended 31 <sup>st</sup> March, 2016

**11. (a) Financial Calendar**

**Un-audited Financial Results**

For the quarter ended	Tentative Dates
30.06.2016	2 <sup>nd</sup> Week of Aug, 2016
30.09.2016	2 <sup>nd</sup> Week of Nov, 2016
31.12.2016	2 <sup>nd</sup> Week of Feb, 2017
31.03.2017	2 <sup>nd</sup> Week of May, 2017/4 <sup>th</sup> Week of May, 2017
Next Annual General Meeting	Last week of September, 2017

**(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.	OswalAgro
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 Ahmedabad Stock Exchange Ltd.	Not Available

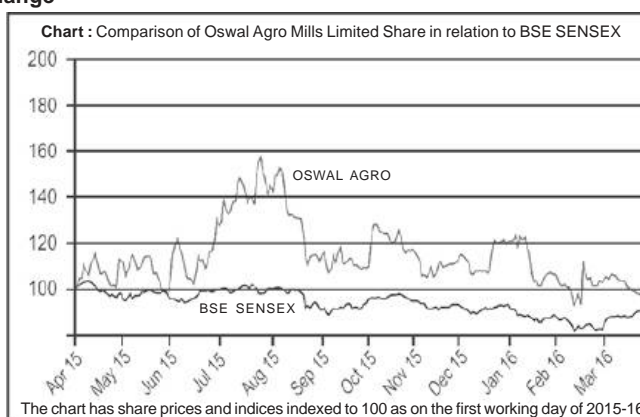
The Annual Listing Fee for the year 2016-17 has been paid to The National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

**(c) Market Price Data**

The market price data (high/low) during the financial year 2015-16 is given hereunder:

**April, 2015 to March, 2016 (Month wise) Bombay Stock Exchange**

	HIGH (₹)	LOW (₹)
April, 2015	14.79	11.70
May, 2015	14.69	11.85
June, 2015	16.21	11.28
July, 2015	19.64	15.25
August, 2015	18.85	13.00
September, 2015	14.75	12.82
October, 2015	16.90	13.01
November, 2015	16.60	12.55
December, 2015	15.39	12.70
January, 2016	15.90	13.06
February, 2016	14.59	11.00
March, 2016	13.90	10.50



**(d) Distribution of Shareholding as on 31.03.2016**

No. of Shares	No. of Shares Held	%	No. of Shareholders	%
1 –500	23162308	17.26	197550	93.4
501 –1000	6249810	4.66	8519	4.03
1001–2000	4475290	3.33	3145	1.49
2001–3000	2074307	1.55	831	0.39
3001–4000	1330387	0.99	379	0.18
4001–5000	1081535	0.81	234	0.11
5001–10000	3132320	2.33	430	0.02
10001 and above	92728819	69.08	413	0.02
<b>TOTAL</b>	<b>134234776</b>	<b>100.00</b>	<b>211501</b>	<b>100.00</b>

**(e) SHAREHOLDING PATTERN AS ON 31.03.2016**

Category	No. of Shares Held	% of Shareholding
A. Promoters and Associates	56033682	41.74
B. Banks, Financial Institutions and Mutual Funds	3687054	2.75
C. Indian Public	73358439	54.65
D. NRI/OCB/FII's	1155601	0.86
<b>TOTAL</b>	<b>134234776</b>	<b>100.00</b>

**(f) Registrar & Share Transfer Agent**

The Company has appointed M/s Skyline Financial Services Private Limited as Registrar & Share Transfer Agent for maintaining all the work related to share registry of both physical and electronic form. In case of any requirements for lodgement of transfer deeds and other queries shareholders can communicate at the following address:

M/s Skyline Financial Services Private Limited  
D-153/A, First Floor, Okhla Industrial Area, Phase-I  
New Delhi-110020  
Ph: 011-64732681-88, Fax-011-26812683  
Email: admin@skylinerta.com, Website: www.skylinerta.com



**Oswal Agro Mills Limited**

**(g) Compliance Officer**

Ms. Pooja Daid, Company Secretary is Compliance Officer of the Company.  
Email : cs@oswalagromills.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/demat form are processed and returned to the shareholders within stipulated time by the Registrar and transfer Agent of the Company.

**(i) Dematerialization of Shares and liquidity**

Trading in Shares of the Company is permitted only in dematerialized form as per the circular issued by SEBI & 79.75% of the Equity shares (107048554 equity shares) of the Company have been dematerialized up to 31<sup>st</sup> March, 2016. The ISIN No is INE-142A01012 for both NSDL and CDSL.

**(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) Address for Correspondence**

Company CIN-L15319PB1979PLC012267

**Registered Office:**

Oswal Agro Mills Limited  
Near Jain Colony, Vijay Inder Nagar,  
Daba Road, Ludhiana - 141 003 (Punjab)  
Phone No. 0161- 2544313  
Website: www.oswalagromills.com

**Head Office:**

Oswal Agro Mills Ltd.  
7<sup>th</sup> Floor, Antriksh Bhawan,  
22, K.G. Marg, New Delhi - 110001  
Phone No. +9111-23715242  
Fax No. +9111- 23716276  
Email ID : oswal@oswalagromills.com

For and on behalf of Board  
Oswal Agro Mills Limited

Place : New Delhi  
Dated : 29.06.2016

Anil Bhalla  
Director

**CERTIFICATES**

**A. CERTIFICATE BY CEO OF THE COMPANY UNDER CORPORATE GOVERNANCE REPORT**

**DECLARATION**

I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the Financial Year 2015-16.

Place : New Delhi  
Date : 29.06.2016

**Bhola Nath Gupta**  
CEO & Director

**B. CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members “Oswal Agro Mills Limited”

We have reviewed the compliance of conditions of Corporate Governance by Oswal Agro Mills Limited for the year ended 31<sup>st</sup> March, 2016, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2016 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied within 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.

For CT & Company  
Company Secretaries

Place : New Delhi  
Date : 29.06.2016

**Shivam Garg**  
Partner  
COP No. 16406  
Membership No. A44577

## Management's Discussion and Analysis

A recurring theme is that the global economy is still struggling to generate increased traction. Emerging markets like India faced multiple challenges, capital outflows, intense exchange rate pressures. A combination of persistent inflation, fiscal imbalances, external sector vulnerabilities and low investments resulted in sluggish domestic demand growth.

During the financial year 2015-16, the socio economic and the political scenario has witnessed a turnaround and a sluggish growth. After the new government at the center, there is an environment of optimism and positive talk of growth of infrastructure development. The medium term to long term growth prospects look positive in view of Government's determination to bring in reform. During the current financial year, the economy is expected to grow at a higher rate than in the previous year. We help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence. The long term prospects for the economy appears optimistic.

Readers are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion the words "anticipate", "believe", "estimate", "intend", "will" and "expect" and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements. This Management Discussion and Analysis Report forming part of the Annual Report in compliance with the provisions of Regulation 34 of SEBI Listing Regulations, 2015 and the Companies Act, 2013 read with rules, for the Financial Year 2015-16.

Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

Since, these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance, or achievements could differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent development, informations or events.

### OVERVIEW

During the year, the Company undertook trading activities in the real estate sector. The Company has earned Profit before tax of Rs. 65110.62 thousands and Profit after tax of Rs. 40963.70 thousands as against Profit before tax of Rs. 183634.84 thousands and Profit after tax of Rs. 145070.84 thousands in the previous year.

### SEGMENTWISE PERFORMANCE

During the year ended 31<sup>st</sup> March, 2016, 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. 2.31 Notes on Accounts, forming part of the Annual Report.

### SUBSIDIARY COMPANY AND ASSOCIATES

#### SUBSIDIARY

The Company has one subsidiary namely M/s Oswal Overseas Ltd. at UAE.

#### ASSOCIATE

The Company has two associate Companies namely M/s Oswal Greentech Ltd. and M/s News Nation Network Private Limited.

### DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

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 applicable laws of the acts and statutory regulations as applicable to the Company from time to time.

### OUTLOOK ON RISKS & CONCERNS

Your Company is exposed to a number of risks such as economic, regulatory, taxation and environmental risks and also the investment outlook towards Indian real estate sector. Some of the risks that may arise in its normal course of its business and impact its ability for future developments inter-alia, include credit risk, liquidity risk, counterparty risk, regulatory risk, commodity inflation risk and market risk. Your Company's chosen business strategy of focusing on certain key products and geographical segments is also exposed to the overall economic and market conditions. Your Company has implemented robust risk management policies and guidelines that set out the tolerance for risk and your Company's general risk management philosophy. Accordingly, your Company has established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner. The same is constantly reviewed for improvement.

### CAUTIONARY STATEMENT

The above Management Discussion & Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertains to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contract, government policies and actions with respect to investments, fiscal deficits, regulation etc. The shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same in case any of these forward looking statements made from time to time on behalf of the Company.



Oswal Agro Mills Limited

## INDEPENDENT AUDITOR'S REPORT

To the Members of Oswal Agro Mills Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Oswal Agro Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section 11 of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read Rule 7 of Companies (Accounts) Rule 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 2.26 to the standalone financial Statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **T R Chadha & Co LLP**  
Chartered Accountants  
(Firm Registration No -006711N/ N500028)

**Surender Kumar**  
(Partner)  
Membership No. 082982

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2016

## ANNEXURE - A TO AUDITORS' REPORT

The Annexure referred to in paragraph 1 of Report on other Legal and Regulatory Requirements, we report that:

- i) a) The Company has maintained proper records (other than furniture and fixtures for closed units) showing full particulars including quantitative details and situation of fixed assets.
- b) In our opinion and according to the information and explanation given to us, fixed assets have been physically verified by the management (other than furniture and fixtures for closed units) at reasonable intervals having regard to the size of the Company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.
- c) According to the information and explanations given to us and on the basis of records examined by us, the title deeds of the immovable properties are held in the name of the Company subject to following limitations:

Particulars of the Immovable Property	Gross Block as at 31st March, 2016 (in ₹ thousand)	Net Block as at 31st March, 2016 (in ₹ thousand)	Remarks
1) Building at Vijay Vihar, Chambur, Mumbai	929.10	546.45	Photocopy of the Original title deeds was provided.
1) Freehold Land at Ludhiana, Punjab	3,088.25	3,088.25	Title deed is not available with the Company. However, the same has been verified from Tehsildar's record, duly certified.

- ii) In our opinion and according to the information and explanation given to us, inventories have been physically verified by the management at reasonable intervals having regard to the size of the Company and no material discrepancy was noticed on such verification as compared to book records.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, sub clauses (a), (b) & (c) of Paragraph 3(iii) of the Order is not applicable.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act in respect of loans and investments of the Company. Further, the Company has not given any guarantees and security; accordingly, to this extent Paragraph 3(iv) of the order is not applicable.
- v) In terms of the books and records examined by us, we state that the Company has not accepted any deposit from the public in terms of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- vi) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable.
- vii) a) According to the information and explanations given to us and the books and records examined by us, we state that the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable. There are no outstanding statutory dues for more than six months from the date they became payable as on 31st March, 2016.
- b) According to the information and explanations given to us, there are no dues of income tax or sale tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except disclosed as under:

Name of Statute	Nature of the Dues	Period to which it relates	Amount in (₹ thousand)	Forum where it is pending
Punjab General Sales Tax Act, 1948 (PGST)	Value Added Tax	1994-1995	16,151.28	Punjab VAT Tribunal
Punjab General Sales Tax Act, 1948 (PGST)	Value Added Tax	1998-1999	1,352.63	Punjab VAT Tribunal
Punjab General Sales Tax Act, 1948 (PGST)	Value Added Tax	1999-2000	1,422.73	Punjab VAT Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	1994-1995	349.33	Punjab VAT Tribunal

- viii) The Company does not have any loans or borrowing from any financial institution, bank, Government or debenture holders during the year. Accordingly, Paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



**Oswal Agro Mills Limited**

- xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into non- cash transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **T R Chadha & Co LLP**  
Chartered Accountants  
(Firm Registration No -006711N/ N500028)

**Surender Kumar**  
(Partner)  
Membership No. 082982

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2016



## ANNEXURE - B TO AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Oswal Agro Mills Limited** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **T R Chadha & Co LLP**  
Chartered Accountants  
(Firm Registration No -006711N/ N500028)

**Surender Kumar**  
(Partner)  
Membership No. 082982

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2016



Oswal Agro Mills Limited

## BALANCE SHEET AS AT MARCH 31, 2016

(₹ in thousand)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<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	4,336,080.48	4,295,116.78
		<b>5,678,428.24</b>	<b>5,637,464.54</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net)	2.3	6,744.60	—
(b) Long-term provisions	2.4	272.53	574.60
		<b>7,017.13</b>	<b>574.60</b>
<b>(3) Current liabilities</b>			
(a) Trade payables	2.5		
- Total outstanding dues of micro enterprises and small enterprises		—	—
- Total outstanding dues of creditors other than dues to micro enterprises and small enterprises		85,623.75	154,306.77
(b) Other current liabilities	2.6	12,427.75	13,153.43
(c) Short-term provisions	2.7	9,080.77	1,877.81
		<b>107,132.27</b>	<b>169,338.01</b>
<b>Total</b>		<b>5,792,577.64</b>	<b>5,807,377.15</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.8		
(i) Tangible Assets		73,646.99	75,614.85
(b) Non-current investments	2.9	4,236,087.24	2,781,878.74
(c) Long-term loans and advances	2.10	620,150.05	262,497.58
		<b>4,929,884.28</b>	<b>3,119,991.17</b>
<b>(2) Current assets</b>			
(a) Current Investment	2.11	—	396,064.72
(b) Inventories	2.12	647,616.37	207,403.70
(c) Trade Receivables	2.13	151,198.75	204,430.00
(d) Cash and bank balances	2.14	9,402.94	92,742.41
(e) Short-term loans and advances	2.15	6,447.85	1,730,020.00
(f) Other current assets	2.16	48,027.45	56,725.15
		<b>862,693.36</b>	<b>2,687,385.98</b>
<b>Total</b>		<b>5,792,577.64</b>	<b>5,807,377.15</b>

### III. SIGNIFICANT ACCOUNTING POLICIES

1

The notes referred to above form an integral part of financial statements

As per our report of even date attached

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



Oswal Agro Mills Limited

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in thousand)

Particulars	Note No.	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
<b>I. Revenue from operations</b>	2.17	292,769.65	424,272.28
<b>II. Other income</b>	2.18	13,581.93	84,774.24
<b>III. Total Revenue (I + II)</b>		<b>306,351.58</b>	<b>509,046.52</b>
<b>IV. Expenses:</b>			
Purchase of stock-in-trade	2.19	554,174.21	254,306.77
Changes in inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	2.20	(404,050.45)	–
Employee benefits expense	2.21	7,441.32	6,664.20
Finance costs	2.22	422.03	345.39
Depreciation and amortization expense	2.8	1,747.81	1,603.51
Other expenses	2.23	46,385.97	62,491.81
<b>Total expenses</b>		<b>206,120.89</b>	<b>325,411.68</b>
<b>V. Profit before Prior Period items, Exceptional items and tax (III - IV)</b>		<b>100,230.69</b>	<b>183,634.84</b>
<b>VI. Prior Period Items (net)</b>	2.24	1,710.61	–
<b>VII. Profit before Exceptional item and tax (V- VI)</b>		<b>98,520.08</b>	<b>183,634.84</b>
<b>VIII. Exceptional Item- Provision for Deposit</b>	2.26	33,409.46	–
<b>IX. Profit before tax (VII-VIII)</b>		<b>65,110.62</b>	<b>183,634.84</b>
<b>X. Tax expense:</b>	2.25		
- Current tax (MAT)		20,173.20	38,564.00
- Deferred tax Liability		6,744.60	–
- Income Tax for earlier years		(2,770.88)	–
<b>XI. Profit for the year after Tax (IX-X)</b>		<b>40,963.70</b>	<b>145,070.84</b>
<b>XII. Earning per Equity Share (Nominal Value of ₹10/- each)</b>	2.29		
Basic/ Diluted (₹)		0.31	1.08
<b>XIII. SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The notes referred to above form an integral part of financial statements

As per our report of even date attached

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



Oswal Agro Mills Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in thousand)

Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before prior period items, exceptional items and tax Adjustments for:</b>	<b>100,230.69</b>	<b>183,634.84</b>
Depreciation	1,747.81	1,603.51
Finance costs	422.03	345.39
Interest Income	(4,611.65)	(3,176.67)
Profit on Trading of units of Mutual Fund	(8,645.46)	(81,475.57)
Fixed Assets Written off	751.12	-
Sundry Balances Written off	1,418.56	-
Excess Provision Written Back	(40.15)	-
Provision for Gratuity & Leave Encashment	701.37	1,440.52
Wealth Tax Provision	-	196.12
	<u>(8,256.37)</u>	<u>(81,066.70)</u>
<b>Operating profit before working capital changes and tax Adjustments for changes in working capital:</b>	<b>91,974.32</b>	<b>102,568.14</b>
a) Increase/(Decrease) in Trade Payable, other current liabilities & provisions	(69,368.55)	154,732.55
b) (Increase)/Decrease in Trade Receivable, Loans & advances & other receivables	1,408,158.96	(1,296,266.84)
c) (Increase) / Decrease in Inventory	(464,121.17)	-
	<u>874,669.24</u>	<u>(1,141,534.29)</u>
<b>Cash generated from operations before tax</b>	<b>966,643.56</b>	<b>(1,038,966.15)</b>
- Wealth Tax Paid	(196.12)	(203.40)
- Income Taxes (Payment) / Refund	3,724.66	(44,605.27)
	<u>3,528.54</u>	<u>(44,808.67)</u>
<b>Net cash from/(used in) operating activities</b>	<b>970,172.10</b>	<b>(1,083,774.82)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,241.67)	-
(Purchase)/Sale of Long-term investments (Net)	(1,430,300.00)	-
(Purchase)/Sale of Current investments (Net)	396,064.72	1,001,824.43
Movement in Fixed Deposits	382.74	(3,487.88)
Interest Received	7,730.21	615.79
Profit on Trading of units of Mutual Fund	8,645.46	81,475.57
	<u>8,645.46</u>	<u>81,475.57</u>
<b>Net cash from (used in) investing activities</b>	<b>(1,019,718.54)</b>	<b>1,080,427.91</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Paid	(0.83)	(2.39)
	<u>(0.83)</u>	<u>(2.39)</u>
<b>Net cash generated from/(used in) financing activities</b>	<b>(0.83)</b>	<b>(2.39)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>(49,547.27)</b>	<b>(3,349.30)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>54,463.53</b>	<b>57,812.83</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,916.26</b>	<b>54,463.53</b>
<b>IV. COMPONENTS OF CASH AND CASH EQUIVALENTS (Refer Note 2.14)</b>		
Balances with banks		
-in Current Account	4,866.29	4,461.27
Cash in hand	49.97	2.26
Cheques in hand	-	50,000.00
<b>Total</b>	<b>4,916.26</b>	<b>54,463.53</b>
<b>V. SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>	

**Notes :**

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹ thousand unless otherwise stated)

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared and presented on a going concern basis under the historical cost convention (except assets revalued), on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the Company.

#### 1.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Summary of significant accounting policies

##### A. Investments

Investment are either classified as current or long term based on Management's intention. Long term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investments. Short term investments are carried at lower of cost or fair value.

##### B. Fixed Assets and depreciation

###### Tangible Assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Tangible assets held for disposal are stated at the lower of their book value and net realisable value.

###### Intangible Assets

Intangible asset represents computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

###### Depreciation

Depreciation on fixed assets other than in relation to Chembur project is provided pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013. Depreciation on tangible assets in relation to Project at Chembur is provided on the Written Down Value method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013. The Company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and have useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset. Leasehold improvements/assets/premium are depreciated over the remaining period of the lease. Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/adjustment, as the case may be. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset. Intangible assets are amortised on straight line method on pro-rata basis over a period of three years.

##### C. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined net off depreciation or amortization, if no impairment loss had been recognised.

##### D. Inventories

Raw Material, Work In Progress, Finished goods and securities held for trading are valued at cost or net realizable value, whichever is lower. The basis of determining cost is Material Cost plus appropriate share of labour and production overheads. In respect of securities, cost includes the acquisition cost along with the relevant incidental charges.

##### E. 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 Statement of Profit and Loss.



Oswal Agro Mills Limited

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

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.

### F. Employee Benefits

#### (i) Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

#### (ii) Post Employment Benefits

##### Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund.

##### Defined Benefit Plans

(a) The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(b) The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date.

(c) Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

#### (iii) Other Long term Employee Benefits

The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

### G. Foreign Exchange Transactions and Derivative Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Realised gains and losses on foreign currency transactions during the year are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at year end rates and resultant gains/losses on foreign currency translations are recognised in the Statement of Profit and Loss.

### H. Income tax

Income tax expense comprises current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

### I. Provision & Contingencies

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

### J. Leases

#### Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating non cancellable lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the non cancellable lease term.

### K. Earnings per share

In determining basic earnings per share, the Company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### L. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank and fixed deposits with an original maturity period of three months or less.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### 2. NOTES TO THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL	As at 31.03.2016	As at 31.03.2015
<b>Authorized:</b>		
30,00,00,000 (Previous Year 30,00,00,000) Equity Shares of ₹ 10/- each	3,000,000.00	3,000,000.00
1,00,00,000 (Previous year 1,00,00,000) 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>		
13,42,34,776 (Previous Year 13,42,34,776) 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 equity shares outstanding is set out below:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of shares	Amount (₹ in thousand)	Number of shares	Amount (₹ in thousand)
<b>Opening Balance</b>	134,234,776	1,342,347.76	134,234,776	1,342,347.76
Add: Issued during the year	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-
<b>Closing Balance</b>	<b>134,234,776</b>	<b>1,342,347.76</b>	<b>134,234,776</b>	<b>1,342,347.76</b>

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>List of Shareholders</b>				
- Aruna Oswal	56,026,460	41.74%	N.A.	N.A.
- Abhey Kumar Oswal*	-	-	53,530,960	39.88%

\* On the demise of Mr. Abhey Kumar Oswal on 29<sup>th</sup> March, 2016, 53,530,960 shares held by him vests to his nominee, Mrs. Aruna Oswal (wife). The transmission was registered on 16<sup>th</sup> April, 2016.

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

The Company has only one type of equity shares having par value of Rs. 10 each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The equity shareholders are entitled to dividend rights according to their paid up portion of the share capital. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.2 RESERVES AND SURPLUS	As at 31.03.2016	As at 31.03.2015
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	4,464,882.64	4,464,882.64
<b>Capital Reserve</b>		
As per last Balance Sheet	1,500.00	1,500.00
<b>General Reserve</b>		
As per last Balance Sheet	318,976.09	318,976.09
<b>Surplus</b>		
As per last Balance Sheet	(490,241.95)	(635,282.97)
Add: Profit for the year	40,963.70	145,070.84
Less: Adjustment for Depreciation	-	29.82
<b>Total</b>	<b>4,336,080.48</b>	<b>4,295,116.78</b>

### 2.3 DEFERRED TAX LAIBILITY(NET)

<b>Fixed Assets (Deferred tax Liability)</b>		
Opening Balance	10,051.41	9,705.25
Movement for the year	(963.25)	346.16
Closing Balance (A)	9,088.16	10,051.41
<b>Disallowance u/s 43B of Income tax Act, 1961 and Gratuity (Deferred Tax Asset)</b>		
Opening Balance	780.86	277.28
Movement for the year	242.73	503.58
Closing Balance (B)	1,023.59	780.86
<b>Losses Carried Forward in Income Tax (Deferred Tax Asset)</b>		
Opening Balance	9,270.55	9,427.97
Movement for the year	(7,950.58)	(157.42)
Closing Balance (C)	1,319.97	9,270.55
<b>Total</b>	<b>(A-B-C) 6,744.60</b>	<b>-</b>



Oswal Agro Mills Limited

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

2.4	LONG-TERM PROVISIONS	As at 31.03.2016	As at 31.03.2015
	Employee Benefits (Refer Note 2.21)	272.53	574.60
	<b>Total</b>	<b>272.53</b>	<b>574.60</b>

2.5	TRADE PAYABLES		
	Dues to		
	-Micro and Small Enterprises	-	-
	-Others	85,623.75	154,306.77
	<b>Total</b>	<b>85,623.75</b>	<b>154,306.77</b>

Based on the information available with the Company, there are no dues as at March 31, 2016 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.

2.6	OTHER CURRENT LIABILITIES		
	Duties & Taxes Payable	263.19	230.69
	Other Liabilities*	12,164.56	12,922.74
	<b>Total</b>	<b>12,427.75</b>	<b>13,153.43</b>

\* includes amount payable to related party ₹ 10,162.50 thousand (Previous Year ₹ 11,100.80 thousand)

2.7	SHORT-TERM PROVISIONS		
	Provision for Income Tax*	6,395.65	-
	Provision for Employee benefits (Refer Note 2.21)	2,685.12	1,681.69
	Provision for Wealth Tax	-	196.12
	<b>Total</b>	<b>9,080.77</b>	<b>1,877.81</b>

\* Net of TDS of ₹ 141,98.75 thousand

## 2.8 FIXED ASSETS

Particulars	Gross Block				Depreciation					Net Block	
	As at 01.04.2015	Additions During the Year	Sale/ Adjustments During the Year	As at 31.03.2016	Upto 01.04.2015	For the Year	Adjusted from Retained Earnings	Written Back/ Adjustments During the Year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>											
<b>Land</b>											
-Leasehold*	437.29	-	-	437.29	144.05	4.42	-	-	148.47	288.82	293.24
-Freehold	14,445.05	-	-	14,445.05	688.82	-	-	688.82	-	14,445.05	13,756.23
<b>Buildings</b>											
-Freehold	86,322.73	-	7,088.63	79,234.10	25,963.20	1,316.90	-	3,938.09	23,342.01	55,892.09	60,359.53
Plant & Machinery	1,124.43	1,838.52	-	2,962.95	645.70	146.14	-	-	791.84	2,171.11	478.73
Furniture & Fixture	4,234.73	140.03	-	4,374.76	4,234.73	12.72	-	-	4,247.45	127.31	-
Office Equipment	-	241.65	-	241.65	-	89.83	-	-	89.83	151.82	-
Computer	-	21.47	-	21.47	-	0.28	-	-	0.28	21.19	-
Vehicles	3,551.47	-	-	3,551.47	2,824.35	177.52	-	-	3,001.87	549.60	727.12
<b>Total</b>	<b>110,115.70</b>	<b>2,241.67</b>	<b>7,088.63</b>	<b>105,268.74</b>	<b>34,500.85</b>	<b>1,747.81</b>	<b>-</b>	<b>4,626.91</b>	<b>31,621.75</b>	<b>73,646.99</b>	<b>75,614.85</b>
<b>Previous Year</b>	<b>110,115.70</b>	<b>-</b>	<b>-</b>	<b>110,115.70</b>	<b>32,867.52</b>	<b>1,603.51</b>	<b>29.82</b>	<b>-</b>	<b>34,500.85</b>	<b>75,614.85</b>	<b>77,248.18</b>

\*Pledged with Indian bank. Refer note no. 2.26

**Note:** As per internal assessment of the Company, there is no asset requiring provision for asset impairment as on March 31, 2016 as per AS-28 on "Impairment of Asset".



## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

2.9	NON-CURRENT INVESTMENTS	As at 31.03.2016	As at 31.03.2015
<b>A. Trade Investment</b>			
<b>(i) Investment in Equity Instruments</b>			
<b>(a) Associate Company - (QUOTED AND AT COST)</b>			
	Oswal Greentech Limited* 9,13,84,203 Equity Shares (Previous year 9,13,84,203) of ₹ 10/- each fully paid	2,375,808.28	2,375,808.28
<b>B. Other Investments</b>			
<b>(i) Investment in Equity Instruments</b>			
<b>(a) Wholly Owned Subsidiary - (UNQUOTED AND AT COST)</b>			
	Oswal Overseas Limited 9,03,198 Equity Shares (Previous Year 26,068) of AED 100/- each	1,562,608.65	32,308.65
	Less : Provision for diminution in value of investment**	16,962.04	16,962.04
		<u>1,545,646.61</u>	<u>15,346.61</u>
<b>(b) Associate Company - (UNQUOTED AND AT COST)</b>			
	News Nation Network Private Limited* 1,64,40,000 Equity Shares (Previous Year 1,64,40,000) of ₹ 10/- each fully paid	164,400.00	164,400.00
<b>(c) Other Companies - (UNQUOTED AND AT COST)</b>			
	PC Media Systems Limited 1,44,51,500 Equity Shares (Previous Year 12,036,500) of ₹ 10/- each fully paid	314,327.81	290,419.31
	Less : Provision for diminution in value of investment**	171,257.96	171,257.96
		<u>143,069.85</u>	<u>119,161.35</u>
	Superior Portfolio (P) Limited 1,910 Equity Shares (Previous Year 1,910) of ₹ 1000/- each fully paid	7,162.50	7,162.50
<b>(ii) Investment in Debentures - (UNQUOTED AND AT COST)</b>			
	Infotel Business Solutions Limited Nil (Previous Year 10,000,000) 0% Optionally Convertible Debentures of ₹10/- each fully paid	-	100,000.00
	<b>Total</b>	<u><b>4,236,087.24</b></u>	<u><b>2,781,878.74</b></u>
	Aggregate Cost of Quoted Investments	2,375,808.28	2,375,808.28
	Aggregate Market Value of Quoted Investments	1,946,483.52	1,987,606.42
	Aggregate Cost of Un-quoted Investments	2,048,498.96	594,290.46
	Aggregate provision for diminution in value of investments*	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 Private Limited, is temporary in nature. Hence, no provision for the same has been provided during the year ended March 31, 2016.			
** Provision of ₹171,257.96 thousand had been made in respect of investment made in M/s P C Media Systems Limited and these equity shares has been valued at ₹9.90 per share in accordance with net worth of the Company. Provision of ₹16,962.04 thousand in respect of investment in Oswal Overseas Limited (Wholly owned subsidiary), had been made for substantial decline in the book value of the shares.			
<b>2.10 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>			
	Security Deposits	821.34	1,601.09
	Loans to body corporate	569,500.01	191,500.00
	Income Tax Advances (net of provisions)	49,828.70	69,396.49
	<b>Total</b>	<u><b>620,150.05</b></u>	<u><b>262,497.58</b></u>
<b>2.11 CURRENT INVESTMENT (Quoted, Non-trade, at cost)</b>			
	Investment in Mutual Funds	-	396,064.72
	Nil Units (Previous Year 157,275.28 Units) of LIC Nomura MF liquid fund- Growth Plan	-	-
	<b>Total</b>	<u><b>-</b></u>	<u><b>396,064.72</b></u>
	Aggregate Cost of Quoted Investments	-	396,064.72
	Aggregate Market Value of Quoted Investments	-	398,356.11
<b>2.12 INVENTORIES (Cost or net realizable value, whichever is lower)</b>			
<b>Work in Progress</b>			
	Project at Chembur, Mumbai	647,616.37	183,495.20
	Equity Shares	-	23,908.50
	<b>Total</b>	<u><b>647,616.37</b></u>	<u><b>207,403.70</b></u>
<b>2.13 TRADE RECEIVABLES (Unsecured, considered good)</b>			
	Outstanding exceeding six months from due date	-	-
	Others	151,198.75	204,430.00
	<b>Total</b>	<u><b>151,198.75</b></u>	<u><b>204,430.00</b></u>



Oswal Agro Mills Limited

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

2.14 CASH AND BANK BALANCES	As at 31.03.2016	As at 31.03.2015
<b>Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>		
Balances with banks		
-in Current Account	4,866.29	4,461.27
Cash in hand	49.97	2.26
Cheques in hand	-	50,000.00
<b>Total</b>	<b>A 4,916.26</b>	<b>54,463.53</b>
<b>Other bank balances</b>		
Fixed Deposits (For Margin Money)*	37,896.14	38,278.88
Less: Provision for Fixed Deposit**	33,409.46	-
<b>Total</b>	<b>B 4,486.68</b>	<b>38,278.88</b>
<b>Total</b>	<b>A+B 9,402.94</b>	<b>92,742.41</b>
* Fixed Deposits are pledged as security/margin money with various government authorities and others.		
** Provision in respect of Fixed deposit encashed by Indian Bank. Refer Note. 2.26		
<b>2.15 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
Loans to body corporate	2,000.00	730,000.00
Advance to Vendors	-	1,000,000.00
Income Tax Advance	4,415.26	-
Other advances	32.59	20.00
<b>Total</b>	<b>6,447.85</b>	<b>1,730,020.00</b>
<b>2.16 OTHER CURRENT ASSETS</b>		
Interest receivable	47,997.45	56,725.15
Other Receivable*	30.00	-
<b>Total</b>	<b>48,027.45</b>	<b>56,725.15</b>
* From Related Party		
<b>2.17 REVENUE FROM OPERATIONS</b>		
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31.03.2016</b>	<b>31.03.2015</b>
Sale of Real Estate	151,198.75	257,000.00
<b>Other Operating Revenue</b>		
Interest on ICD	141,570.90	117,053.10
Other Interest	-	50,219.18
<b>Total</b>	<b>292,769.65</b>	<b>424,272.28</b>
<b>2.18 OTHER INCOME</b>		
Profit on Trading of units of Mutual Fund	8,645.46	81,475.57
Interest Income	4,611.65	3,176.67
Rental Income	120.00	120.00
Miscellaneous Income	164.67	2.00
Excess Provision Written Back	40.15	-
<b>Total</b>	<b>13,581.93</b>	<b>84,774.24</b>
<b>2.19 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Real Estate	150,123.76	254,306.77
Purchase of WIP Chembur	404,050.45	-
<b>Total</b>	<b>554,174.21</b>	<b>254,306.77</b>
<b>2.20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening stock</b>		
Equity Shares	23,908.50	23,908.50
Project at Chembur, Mumbai	183,495.20	183,495.20
Less: Equity shares held as inventory converted into investment	23,908.50	-
Add: Addition in Project at Chembur, Mumbai	60,070.72	-
<b>Less : Closing stock</b>		
Equity Shares	-	23,908.50
Project at Chembur, Mumbai	647,616.37	183,495.20
<b>Net change</b>	<b>(404,050.45)</b>	<b>-</b>
<b>2.21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	6,049.54	4,924.02
Contribution to provident and other funds	371.26	352.20
Staff welfare expenses	1,020.52	1,387.98
<b>Total</b>	<b>7,441.32</b>	<b>6,664.20</b>

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

As per Accounting Standard 15 “ Employee benefits”, the disclosures as defined in the Accounting Standard are given below:

### Defined Contribution Plans

The Company has recognised the following amount in the Statement of Profit and Loss for the year : 2015-16      2014-15  
 Contribution to Employees Provident Fund 328.85      312.63

### Defined Benefit Plans :

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	Leave Encashment (Unfunded)		Gratuity (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
<b>(i) Major Assumptions</b>				
(a) Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%
(b) Future Salary Increase	5.50%	5.50%	5.50%	5.50%
(c) Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
(d) Expected Average remaining working lives of employees in number of years	4.22	(2.51)	4.22	(2.51)
<b>(ii) Changes in the Present Value of Obligation</b>				
(a) Present Value of obligation as at beginning of the year	797.83	26.81	1,458.46	788.96
(b) Liability transferred from Oswal Greentech Limited	–	713.70	–	518.99
(c) Interest Cost	63.83	2.28	116.68	67.06
(d) Past Service Cost	–	–	–	–
(e) Current Service Cost	108.70	90.82	122.87	106.20
(f) Benefits Paid	(25.96)	(27.79)	–	–
(g) Actuarial (Gain)/Loss on obligation	119.06	(7.99)	196.20	(22.75)
(h) Present Value of obligation as at end of the year	1,063.45	797.83	1,894.20	1,458.46
<b>(iii) Changes in the Fair value of Plan Assets</b>				
(a) Present Value of Plan Assets as at beginning of the year	–	–	–	–
(b) Expected Return on Plan Assets	–	–	–	–
(c) Employers' Contributions	–	–	–	–
(d) Last year's settlement	–	–	–	–
(e) Benefits Paid	–	–	–	–
(f) Actuarial gain/ (loss) on plan assets	–	–	–	–
(g) Fair Value of Plan Assets as at end of the year	–	–	–	–
<b>(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>				
(a) Present Value of Funded Obligation as at end of the year	–	–	–	–
(b) Fair Value of Plan Assets as at end of the year	–	–	–	–
(c) Funded (Asset)/Liability recognised in the Balance Sheet	–	–	–	–
(d) Present Value of Unfunded Obligation as at end of the year	1,063.45	797.83	1,894.20	1,458.46
(e) Unrecognised Past Service Cost	–	–	–	–
(f) Unrecognised Actuarial Gains/(Losses)	–	–	–	–
(g) Unfunded Net Liability recognised in the Balance Sheet	1,063.45	797.83	1,894.20	1,458.46
<b>(v) Actuarial (Gain)/Loss recognized</b>				
(a) Actuarial (gain)/loss for the year-obligation	119.06	(7.99)	196.20	(22.75)
(b) Actuarial (gain)/loss for the year - plan assets	–	–	–	–
(c) Total (gain)/loss for the year	119.06	(7.99)	196.20	(22.75)
(d) Actuarial (gain) /loss recognized in the year	119.06	(7.99)	196.20	(22.75)
(e) Unrecognized actuarial (gain)/Loss at the end of the year	–	–	–	–
<b>(vi) Amount recognised in the Balance Sheet</b>				
(a) Present Value of Obligation as at end of the year	1,063.45	797.83	1,894.20	1,458.46
Long Term Provisions	17.66	225.89	254.87	348.71
Short Term provisions	1,045.79	571.94	1,639.33	1,109.75
(b) Fair Value of Plan Assets as at end of the year	–	–	–	–
(c) Asset/(Liability) recognised in the Balance Sheet	(1,063.45)	(797.83)	(1,894.20)	(1,458.46)



Oswal Agro Mills Limited

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

(vii) Expenses recognised during the year	2015-16	2014-15	2015-16	2014-15	
(a) Current Service Cost	108.70	90.82	122.87	106.20	
(b) Past Service Cost	–	–	–	–	
(c) Interest Cost	63.83	2.28	116.68	67.06	
(d) Expected Return on Plan Assets	–	–	–	–	
(e) Net actuarial (Gain)/Loss	119.06	(7.99)	196.20	(22.75)	
(f) Employees' Contribution	–	–	–	–	
(g) Total Expenses recognised during the year	291.58	85.11	435.74	150.51	
Add: Amount apportioned from a group Company	33.18	36.61	87.02	23.50	
(h) Expenses recognised in the statement of profit and loss	324.76	121.72	522.76	174.01	
<b>(viii) Expected Employer's Contribution for the next year</b>	–	37.72	58.73	86.87	
<b>(ix) Other Disclosure</b>					
<b>Leave Encashment (Unfunded)</b>					
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present Value of Obligation at the end of the year	1,063.45	797.83	26.81	18.94	20.14
Fair Value of Plan Assets at the end of the year	–	–	–	–	–
Surplus/(Deficit)	(1,063.45)	(797.83)	(26.81)	(18.94)	(20.14)
Experience adjustments on plan liabilities (Gain)/Loss	119.06	(7.94)	26.94	15.66	16.67
Experience adjustments on plan assets (Gain)/Loss	–	–	–	–	–
<b>Gratuity (Unfunded)</b>					
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present Value of Obligation at the end of the year	1,894.20	1,458.46	788.96	599.86	569.72
Fair Value of Plan Assets at the end of the year	–	–	–	–	–
Surplus/(Deficit)	(1,894.20)	(1,458.46)	(788.96)	(599.86)	(569.72)
Experience adjustments on plan liabilities (Gain)/Loss	196.20	(22.65)	110.30	(40.61)	47.61
Experience adjustments on plan assets (Gain)/Loss	–	–	–	–	–

**2.22 FINANCE COST**

	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest others	422.03	345.39
<b>Total</b>	<b>422.03</b>	<b>345.39</b>

**2.23 OTHER EXPENSES**

Rent	429.26	828.25
Power and Fuel	842.77	238.31
Rates And Taxes	14,406.06	43,019.37
Listing Fees	494.38	643.26
Printing & Stationery	1,785.06	1,868.58
Postage & Telegram	3,263.94	2,699.25
Consultation & Professional Fee	8,933.50	7,167.64
Donation	96.05	–
Repairs & Maintenance:		
Building	1,080.49	–
Others	4,134.24	113.12
Payment to Auditor (refer note 2.28)	1,168.10	1,143.99
Fixed Assets Written off	751.12	–
Other General Expenses	9,001.00	4,770.04
<b>Total</b>	<b>46,385.97</b>	<b>62,491.81</b>

**2.24 PRIOR PERIOD ITEMS**

<b>Expenses</b>		
Assets Written off	2,399.43	–
<b>Income</b>		
Depreciation excess charged earlier reversed	688.82	–
<b>Total</b>	<b>1,710.61</b>	–

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

2.25 TAX EXPENSES	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>Current Tax</b>		
Income Tax (MAT)	20,173.20	38,564.00
Deferred Tax Liability	6,744.60	-
<b>Income Tax for earlier Years</b>	(2,770.88)	-
<b>Total</b>	<b>24,146.92</b>	<b>38,564.00</b>

2.26 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:	As at 31.03.2016	As at 31.03.2015
a) Claims against the Company not acknowledged as debts:		
- Demand raised by Indian Bank*	239,800.88	-
- Demands in respect of Provident Fund	5,467.52	6,117.21
- Other Demand	12,893.34	-
b) Other demand for which the Company is contingently liable:		
Sales Tax	19,275.97	1,422.73

\* Indian Bank has before Debt Recovery Tribunal (DRT), along with notice under SARFAESI Act, 2002, raised a demand of ₹ 2,39,800.88 thousand (after appropriating the Company's FDR of ₹ 33,409.46 thousand which has been fully provided for) along with interest. The dispute is on account of encashment of Bank Guarantee in 1986 by PNB, UK issued by it on behalf of the Company which is pending before Debt Recovery Appellate Tribunal (DRAT). Company has been legally opined that the present action of Indian Bank is barred by limitation and based upon the facts, legally not maintainable and the Company envisages no liability on this account.

### 2.27 DIRECTOR'S REMUNERATION:

Particulars	March 31, 2016	March 31, 2015
Salary and allowances	1,844.35	1,802.60
Contribution to Provident Fund	131.83	115.63
<b>Total</b>	<b>1,976.18</b>	<b>1,918.23</b>

**Note** : Provision for gratuity and provision for leave encashment has been made on a group basis and separate figures applicable to an individual employee are not available and therefore have not been considered in the above figures.

### 2.28 PAYMENT TO AUDITOR\* (REFER NOTE - 2.23)

Particulars	March 31, 2016	March 31, 2015
Statutory Audit	1,143.50	1,123.60
Other Services	24.60	20.39
<b>Total</b>	<b>1,168.10</b>	<b>1,143.99</b>

\* including of service tax

### 2.29 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	March 31, 2016	March 31, 2015
Opening Equity Shares (Nos.)	134,234,776	134,234,776
Issued during the year (Nos.)	-	-
Closing Equity Shares (Nos.)	134,234,776	134,234,776
Profit/(Loss) attributable to Equity Shareholders for basic and diluted earnings per share (₹ in thousand) (A)	40,963.70	145,070.84
Weighted average of Equity Shares outstanding during the year for basic/diluted earnings per share (No.) (B)	134,234,776	134,234,776
Nominal Value of Equity Shares (₹)	10	10
Basic/Diluted Earnings per share (₹) (A/B)	0.31	1.08

### 2.30 RELATED PARTY DISCLOSURES - (AS- 18)

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

#### (a) Key Management Personnel and their relatives:

Mr B.N Gupta	CEO & Director
Mr Parveen Chopra	Chief Financial Officer

#### (b) Enterprise controlled by the Company

Oswal Overseas Limited, Dubai, UAE	Wholly owned subsidiary
------------------------------------	-------------------------

#### (c) Associate

News Nation Network Private Limited	Associate Company
Oswal Greentech Limited	Associate Company

#### (d) Enterprises over which Key Management Personnel and their relatives have significant influence:-

Oswal Woollen Mills Limited
-----------------------------



Oswal Agro Mills Limited

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

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

Particulars	Description	March 31, 2016	March 31, 2015
<b>(a) Key Management Personnel and their relatives</b>			
Mr B.N Gupta	<b>Transactions during the year:</b>		
	Managerial Remuneration	1976.18	1,918.23
	Employee Loan given	160.60	–
	Employee Loan received back	160.60	–
	<b>Balance outstanding at year end:</b>		
Mr Parveen Chopra	Managerial Remuneration payable	–	108.34
	<b>Transactions during the year:</b>		
	Salary and Other Benefits	1,139.49	923.43
	<b>Balance outstanding at year end:</b>		
	Salary and Other Benefits Payable	65.25	52.69
<b>(b) Enterprise controlled by the Company</b>			
Oswal Overseas Limited	<b>Transactions during the year:</b>		
	Investment Made	1,530,300.00	–
	<b>Balances outstanding at year end:</b>		
	Investment	1,562,608.65	32,308.65
<b>(c) Associates</b>			
News Nations Networks Private Limited	<b>Balances outstanding at year end:</b>		
	Investment	164,400.00	164,400.00
Oswal Greentech Limited	<b>Transactions during the year:</b>		
	Rent Received	120.00	120.00
	Fixed Assets Purchased	2,241.67	–
	Project Inventory Purchased	404,050.45	–
	Project Balances Transferred	60,709.52	–
	Reimbursement of payments made by Enterprise on behalf of the Company	96.18	464.26
	Their share of common expenses transferred from the enterprise	1,800.07	3,608.00
	<b>Balances outstanding at year end:</b>		
	Payable (common expenses)	–	842.52
	Rent Receivable	30.00	–
Investment	2,375,808.28	2,375,808.28	
<b>(d) Enterprises over which Major Shareholders, Key Management Personnel and their relatives have significant influence:-</b>			
Oswal Woollen Mills Limited	<b>Balances outstanding at year end:</b>		
	Other liability	10,097.25	10,097.25

**Note:** The remuneration/Salary and Other benefits to Key management personnel does not include the provisions made for Gratuity and leave benefits, as they are determined on actuarial basis of the Company as a whole.

**2.31 SEGMENT - (AS-17)**

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

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

S No.	Particulars	March 31, 2016	March 31, 2015
<b>(a)</b>	<b>Segment Revenue</b>		
	Investment Activities	150,216.36	198,528.67
	Trading	–	–
	Real Estate	151,198.75	307,219.18
	Unallocated	4,936.47	3,298.67
	<b>Total Segment Revenue</b>	<b>306,351.58</b>	<b>509,046.52</b>

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

S No.	Particulars	March 31, 2016	March 31, 2015
<b>(b)</b>	<b>Segment Result</b>		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	143,215.00	193,907.35
	Trading	–	–
	Real Estate	(15,330.84)	10,873.51
	Unallocated	(27,231.44)	(20,800.63)
	Less : Interest & Finance Charges	422.03	345.39
	Less : Exceptional Items	33,409.46	–
	Less : Prior Period Items	1,710.61	–
	<b>Profit from Ordinary Activities before Tax</b>	<b>65,110.62</b>	<b>183,634.84</b>
	Less : Provision for Current Tax	20,173.20	38,564.00
	Less : Deferred tax Liability	6,744.60	–
	Less : Provision for Taxes for Earlier years	(2,770.88)	–
	<b>Profit from Ordinary Activities after Tax</b>	<b>40,963.70</b>	<b>145,070.84</b>
<b>(c)</b>	<b>Segment Assets</b>		
	Investment Activities	4,859,401.60	4,130,750.57
	Trading	–	23,908.50
	Real Estate	802,625.49	1,467,815.94
	Unallocated	130,550.55	184,902.14
	<b>Total Assets</b>	<b>5,792,577.64</b>	<b>5,807,377.15</b>
<b>(d)</b>	<b>Segment Liabilities</b>		
	Investment Activities	466.45	78.41
	Trading	–	–
	Real Estate	85,799.07	154,326.37
	Unallocated	27,883.88	15,507.83
	<b>Total Liabilities</b>	<b>114,149.40</b>	<b>169,912.61</b>
<b>(e)</b>	<b>Other Information</b>		
	Capital expenditure (Unallocable)	2,241.67	–
	Depreciation and amortisation (Unallocable)	1,747.81	1,603.51

**Note :** The Company does not have any material operations outside India and hence disclosure of geographic segment is not given.

### 2.32 LEASES - (AS-19)

Rental payments amounting to ₹ 429.26 thousand (Previous Year ₹ 828.25 thousand) is recognized in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016.

### 2.33 Details of Loans Given, Investments Made and Guarantee Given covered u/s 186(4) of the Companies Act, 2013

I. Particulars of Loans given are as under:

Borrower Company	As on 31.03.2016	As on 31.03.2015
Minerals Management Services (India) Private Limited	2,000.00	730,000.00
Segue Enterprise Private Limited	59,500.01	71,500.00
ARR ESS Industries Private Limited	–	120,000.00
Jagran Developers Private Limited	440,000.00	–
Maxrich Global Stocks Private Limited	70,000.00	–
<b>Total</b>	<b>571,500.01</b>	<b>921,500.00</b>

During the year Company had given loans to Vardhman Financial Services Private Limited of ₹ 50,000 thousand which were given and received back during the year.

All the above loans has been given for business purposes.

II. Particulars of investment made are given in Note no. 2.9 and 2.11.

III. The Company has not given any guarantee or security in connection with a loan to any other body corporate or person.



Oswal Agro Mills Limited

**NOTES (CONTD...)**

*(Amount in ₹ thousand unless otherwise stated)*

2.34 Details of Foreign Currency Exposures that are not hedged by a Derivative Instrument or otherwise are given as below:

Particulars	Denomination	Foreign Currency* (In Foreign currency Denomination)	Amount *
Investment - Equity Shares	AED	90,319,800 (2,606,800)	1,562,608.65 (32,308.65)

\* Previous year figures are given in bracket

**2.35 OTHER NOTES:**

- (i) In the opinion of the management, all current assets and loan & advances as on 31<sup>st</sup> March, 2016 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (ii) Net Average profit for the three immediately preceding financial years, as per Section 198 of the Companies Act, 2013 ("Act") is nil. Accordingly, Company was not required to spend any amount on CSR activities as per Section 135 of the Act.
- (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 LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30th May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



## OSWAL OVERSEAS LIMITED

### DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2016.

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

The Company is exploring global opportunities in international commodities and coal trading.

#### 2. DIRECTORS

The Director of the Company in office at the date of this report is 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, 2016 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.

For and on behalf of the Board  
Anil Kumar Bhalla  
Director

Place : New Delhi

Date : May 30, 2016

### 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<sup>st</sup> March, 2016, 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<sup>st</sup> March, 2016 and its income statement for the year then ended in conformity with accounting principles applied.

For KSI Shah & Associates  
Chartered Accountants  
Dubai, U.A.E.

Signed by:  
Sonal P. Shah (Registration No. 123)  
May 03, 2016



Oswal Agro Mills Limited

OSWAL OVERSEAS LIMITED

Statement of Financial Position At 31 March 2016

(₹ in thousand)

	Notes	2016	2015
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivables		595.21	768.64
Advances to suppliers	3	1601607.87	16899.30
Cash and cash equivalents		4591.36	2643.08
<b>TOTAL ASSETS</b>		<b>1606794.44</b>	<b>20311.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4	1632452.67	44439.47
Accumulated (losses)		(25732.85)	(24198.85)
<b>Equity funds</b>		<b>1606719.82</b>	<b>20240.62</b>
<b>Current liabilities</b>			
Accruals		74.62	70.40
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1606794.44</b>	<b>20311.02</b>

The accompanying notes 1 to 6 form an integral part of these financial statements.

The Independent Auditors' Report is approved by the shareholder on 03<sup>rd</sup> May 2016 and signed on its behalf by:

For Oswal Overseas Limited

Director

#### Statement of Comprehensive Income for the year ended 31 March 2016

(₹ in thousand)

	Notes	2016	2015
<b>Administrative expenses</b>		<b>(232.08)</b>	<b>(511.05)</b>
Other income		145.89	-
<b>Net (loss) for the year</b>		<b>(86.19)</b>	<b>(511.05)</b>

The accompanying notes 1 to 6 form an integral part of these financial statements.

For Oswal Overseas Limited

Director

#### Notes to the Financial Statements for the year ended 31 March 2016

##### 1. Legal status and business activity

- 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.
- 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) Trade and other receivables:

Trade receivables are carried at the original invoice amount to the customers.

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) 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.

##### d) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

(₹ in thousand)

2016 2015

##### 3. Advances

Advances paid to a suppliers\* 1601607.87 16899.30

\*Advances paid to the suppliers represents advances paid for purchase of coal.

##### 4. Share capital

Subscribed, Issued and Paid up

Shares 903,198 (previous year

26,068) @ AED 100/- each

\*(US \$ 1 @ AED 3.67)

1632452.67 44439.47

\*The share certificate is issued in the name of 'M/s Oswal Agro Mills Limited' the sole shareholder of the Company. During the year, share capital of the Company has increased to ₹ 1632452.67 thousand (previous year: ₹ 44439.47 thousand)

##### 5. Contingent liability

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

##### 6. Comparative figures

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

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Oswal Agro Mills Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Oswal Agro Mills Limited** (hereinafter referred to as "the Holding Company") and its subsidiary and associates (the Holding Company, its subsidiary and associates together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us read together with matter referred in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

We did not audit the financial statement of a subsidiary Company, whose financial statements reflect total assets of ₹16,06,794.44 thousand (previous year ₹20,311.03 thousand) as at March 31, 2016, total revenue of ₹ Nil (previous year ₹ Nil) and net cash flows amounting to ₹1,948.28 thousand (previous year ₹ (-)17,277.36 thousand) for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹ Nil (previous year ₹87,942 thousand) for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.



**Oswal Agro Mills Limited**

**Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read Rule 7 of Companies (Accounts) Rule 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the associate companies incorporated in India, none of the directors of the Holding Company and its associate companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group excluding the subsidiary Company incorporated outside India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 2.26 to the consolidated financial Statements;
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associates incorporated in India.

**For T R Chadha & Co LLP**  
Chartered Accountants  
(Firm Registration No -006711N/ N500028)

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2016

**Surender Kumar**  
(Partner)  
Membership No. 082982

## ANNEXURE-A TO AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group, excluding the subsidiary incorporated outside India, as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Oswal Agro Mills Limited ('the Company') and its associates which are companies incorporated in India (the Company and its associates together referred to as "the Group"), as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of its report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate Company which is Company incorporated in India, is based on the corresponding report of the auditor of such Company incorporated in India.

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No -006711N/ N500028)

Surender Kumar  
(Partner)  
Membership No. 082982

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2016



Oswal Agro Mills Limited

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(₹ in thousand)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<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	5,162,522.39	4,930,591.22
		<b>6,504,870.15</b>	<b>6,272,938.98</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net)	2.3	6,744.60	–
(b) Long-term provisions	2.4	272.53	574.60
		<b>7,017.13</b>	<b>574.60</b>
<b>(3) Current liabilities</b>			
(a) Trade payables	2.5		
- Total outstanding dues of micro enterprises and small enterprises		–	–
- Total outstanding dues of creditors other than dues to micro enterprises and small enterprises		85,623.75	154,306.77
(b) Other current liabilities	2.6	12,502.36	13,223.82
(c) Short-term provisions	2.7	9,080.77	1,877.81
		<b>107,206.88</b>	<b>169,408.40</b>
<b>Total</b>		<b>6,619,094.16</b>	<b>6,442,921.98</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.8		
(i) Tangible Assets		73,646.99	75,614.85
(b) Non-current investments	2.9	3,455,809.32	3,397,112.55
(c) Long-term loans and advances	2.10	620,150.05	262,497.58
		<b>4,149,606.36</b>	<b>3,735,224.98</b>
<b>(2) Current assets</b>			
(a) Current Investment	2.11	–	396,064.72
(b) Inventories	2.12	647,616.37	207,403.70
(c) Trade Receivables	2.13	151,198.75	204,430.00
(d) Cash and bank balances	2.14	13,994.30	95,385.49
(e) Short-term loans and advances	2.15	1,608,650.93	1,747,687.94
(f) Other current assets	2.16	48,027.45	56,725.15
		<b>2,469,487.80</b>	<b>2,707,697.00</b>
<b>Total</b>		<b>6,619,094.16</b>	<b>6,442,921.98</b>

### III. SIGNIFICANT ACCOUNTING POLICIES

1

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



Oswal Agro Mills Limited

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in thousand)

Particulars	Note No.	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
<b>I. Revenue from operations</b>	2.17	292,769.65	424,272.28
<b>II. Other income</b>	2.18	13,581.93	84,774.24
<b>III. Total Revenue (I + II)</b>		<b>306,351.58</b>	<b>509,046.52</b>
<b>IV. Expenses:</b>			
Purchase of stock-in-trade	2.19	554,174.21	254,306.77
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.20	(404,050.45)	–
Employee benefits expense	2.21	7,441.32	6,664.20
Finance costs	2.22	422.03	345.39
Depreciation and amortization expense	2.8	1,747.81	1,603.51
Other expenses	2.23	46,472.16	62,997.28
<b>Total expenses</b>		<b>206,207.08</b>	<b>325,917.15</b>
<b>V. Profit before Prior Period items, Exceptional items and tax (III - IV)</b>		<b>100,144.50</b>	<b>183,129.37</b>
<b>VI. Prior Period items (net)</b>	2.24	1,710.61	–
<b>VII. Profit before Exceptional item and tax (V- VI)</b>		<b>98,433.89</b>	<b>183,129.37</b>
<b>VIII. Exceptional Item- Provision for Deposit</b>	2.26	33,409.46	–
<b>IX. Profit before tax (VII-VIII)</b>		<b>65,024.43</b>	<b>183,129.37</b>
<b>X. Tax expense:</b>	2.25		
-Current tax (MAT)		20,173.20	38,564.00
-Deferred tax liability		6,744.60	–
-Income Tax for earlier years		(2,770.88)	–
<b>XI. Profit for the year after Tax (IX-X)</b>		<b>40,877.51</b>	<b>144,565.37</b>
<b>XII. Share of Profit in Associate</b>		134,788.27	15,841.81
<b>XIII. Profit for the year after Tax and after share of associate (XI+XII)</b>		<b>175,665.78</b>	<b>160,407.18</b>
<b>XIV. Earning per Equity Share (Nominal Value of ₹10/- each)</b>	2.29		
Basic/ Diluted (₹)		1.31	1.19
<b>XV. SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



Oswal Agro Mills Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in thousand)

Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before prior period items, exceptional items and tax	100,144.50	183,129.37
Adjustments for:		
Depreciation	1,747.81	1,603.51
Finance Costs	422.03	345.39
Interest Income	(4,611.65)	(3,176.67)
Profit on Trading of units of Mutual Fund	(8,645.46)	(81,475.57)
Provision for Gratuity & Leave Encashment	701.37	1,440.52
Fixed Assets Written off	751.12	-
Sundry balances written off	1,418.56	-
Excess provision written back	(40.15)	-
Wealth Tax Provision	-	196.12
	(8,256.37)	(81,066.70)
<b>Operating profit before working capital changes and tax</b>	<b>91,888.13</b>	<b>102,062.67</b>
Adjustments for changes in working capital:		
a) Increase/(Decrease) in Trade Payable, other current liabilities & provisions	(69,364.31)	154,735.32
b) (Increase)/Decrease in Trade Receivable, Loans & advances & other receivables	(176,376.20)	(1,337,477.56)
c) Change in inventory	(464,121.17)	-
	(709,861.68)	(1,182,742.24)
<b>Cash generated from operations before tax</b>	<b>(617,973.55)</b>	<b>(1,080,679.57)</b>
- Wealth Tax Paid	(196.12)	(203.40)
- Income Taxes (Payment)/Refund	3,724.66	(44,605.27)
	3,528.54	(44,808.67)
<b>Net cash generated from/(used in) operating activities</b>	<b>(614,445.01)</b>	<b>(1,125,488.24)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,241.67)	-
(Purchase)/Sale of Long-term investments (Net)	100,000.00	-
(Purchase)/Sale of Current investments (Net)	396,064.72	1,001,824.43
Movement in Fixed deposits	382.74	(3,487.88)
Interest Received	7,730.21	24,231.55
Profit on Trading of units of Mutual Fund	8,645.46	81,475.57
	510,581.46	1,104,043.67
<b>Net cash generated from/(used in) investing activities</b>	<b>510,581.46</b>	<b>1,104,043.67</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Foreign Currency translation reserve	56,265.39	820.30
Interest Paid	(0.83)	(2.39)
	56,264.56	817.91
<b>Net cash generated from/(used in) financing activities</b>	<b>56,264.56</b>	<b>817.91</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>(47,598.99)</b>	<b>(20,626.66)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>57,106.61</b>	<b>77,733.27</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>9,507.62</b>	<b>57,106.61</b>
<b>IV. COMPONENTS OF CASH AND CASH EQUIVALENTS (Refer Note 2.14)</b>		
Balances with banks		
-in Current Account	9,457.65	7,104.35
Cash in hand	49.97	2.26
Cheques in hand	-	50,000.00
	9,507.62	57,106.61
<b>V. SIGNIFICANT ACCOUNTING POLICIES</b>	1	

### Notes:

- The above Consolidated Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹ thousand unless otherwise stated)

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 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 Limited	India	35.58%	Associate
News Nation Network Private Limited	India	22.84%	Associate

The consolidated financial statements relate to Oswal Agro Mills Limited ('the Company'), its subsidiary Company and associates (hereinafter referred to as "Group"). The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the Company and its subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - on "Consolidated Financial Statements"

In case of foreign subsidiary, 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.

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 consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

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.

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".

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 Consolidated 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.

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 consolidated financial statements as Goodwill or Capital Reserve as the case may be.

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, other than stated separately.

#### 1.2 Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared and presented on a going concern basis under the historical cost convention (except assets revalued), on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the group.

#### 1.3 Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.4 Summary of significant accounting policies

##### A. Investments

Investment are either classified as current or long term based on Management's intention. Long term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investments. Short term investments are carried at lower of cost or fair value.

##### B. Fixed Assets and depreciation

###### Tangible Assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Tangible assets held for disposal are stated at the lower of their book value and net realisable value.

###### Intangible Assets

Intangible asset represents computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.



Oswal Agro Mills Limited

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### Depreciation

Depreciation on fixed assets other than in relation to Chembur project is provided pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013. Depreciation on tangible assets in relation to Project at Chembur is provided on the Written Down Value method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013. In respect of Oswal Greentech limited, associate, depreciation on tangible assets is provided on the Written Down Value method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013 and it is not practicable to make appropriate adjustments to the associate's financial statements. The Company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and have useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset. Leasehold improvements/assets/premium are depreciated over the remaining period of the lease. Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/adjustment, as the case may be. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset. Intangible assets are amortised on straight line method on pro-rata basis over a period of three years.

### C. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined net off depreciation or amortization, if no impairment loss had been recognised.

### D. Inventories

Raw Material, Work In Progress, Finished goods and securities held for trading are valued at cost or net realizable value, whichever is lower. The basis of determining cost is Material Cost plus appropriate share of labour and production overheads. In respect of securities, cost includes the acquisition cost along with the relevant incidental charges.

### E. 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 Consolidated Statement of Profit and Loss.

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.

### F. Employee Benefits

#### (i) Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

#### (ii) Post Employment Benefits

##### Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund.

##### Defined Benefit Plans

(a) The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(b) The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date.

(c) Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

#### (iii) Other Long term Employee Benefits

The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

### G. Foreign Exchange Transactions and Derivative Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Realised gains and losses on foreign currency transactions during the year are recognised in the Consolidated Statement of Profit and Loss. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at year end rates and resultant gains/losses on foreign currency translations are recognised in the Consolidated Statement of Profit and Loss.

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### H. Income tax

Income tax expense comprises current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

### I. Provision & Contingencies

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

### J. Leases

#### Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating non cancellable lease charges are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the non cancellable lease term.

### K. Earnings per share

In determining basic earnings per share, the group considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### L. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank and fixed deposits with an original maturity period of three months or less.

## 2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 SHARE CAPITAL	As at 31.03.2016	As at 31.03.2015
<b>Authorized:</b>		
30,00,00,000 (Previous Year 30,00,00,000) Equity Shares of ₹ 10/- each	3,000,000.00	3,000,000.00
1,00,00,000 (Previous year 1,00,00,000) 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>		
13,42,34,776 (Previous Year 13,42,34,776) 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:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of shares	Amount (₹ in thousand)	Number of shares	Amount (₹ in thousand)
<b>Opening Balance</b>	134,234,776	1,342,347.76	134,234,776	1,342,347.76
Add: Issued during the year	—	—	—	—
Less: Shares redeemed during the year	—	—	—	—
<b>Closing Balance</b>	<b>134,234,776</b>	<b>1,342,347.76</b>	<b>134,234,776</b>	<b>1,342,347.76</b>

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>List of Shareholders</b>				
- Aruna Oswal	56,026,460	41.74%	N.A.	N.A.
- Abhey Kumar Oswal*	—	—	53,530,960	39.88%

\* On the demise of Mr. Abhey Kumar Oswal on 29<sup>th</sup> March, 2016, 53,530,960 shares held by him vests to his nominee, Mrs. Aruna Oswal (wife). The transmission was registered on 16<sup>th</sup> April, 2016.

### (c) Right, preference and restrictions attached to equity shares:

The Company has only one type of equity shares having par value of Rs. 10 each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The equity shareholders are entitled to dividend rights according to their paid up portion of the share capital. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



Oswal Agro Mills Limited

## NOTES (Contd..)

(Amount in ₹ thousand unless otherwise stated)

2.2 RESERVES AND SURPLUS	As at 31.03.2016		As at 31.03.2015	
<b>Securities Premium Reserve</b>				
As per last Balance Sheet		4,464,882.64		4,464,882.64
<b>Capital Reserve</b>				
As per last Balance Sheet		1,500.00		1,500.00
<b>General Reserve</b>				
As per last Balance Sheet		318,976.09		318,976.09
<b>Foreign currency translation reserve</b>				
As per Balance Sheet	10,844.90		10,024.60	
Add: For the year	56,265.39	67,110.29	820.30	10,844.90
<b>Surplus</b>				
As per last Balance Sheet	134,387.59		(25,989.77)	
Add: Profit for the year	175,665.78		160,407.18	
Less: Adjustment for Depreciation	-	310,053.37	29.82	134,387.59
<b>Total</b>		<b>5,162,522.39</b>		<b>4,930,591.22</b>
<b>2.3 DEFERRED TAX LAIBILITY(NET)</b>		<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>
<b>Fixed Assets (Deferred tax Liability)</b>				
Opening Balance		10,051.41		9,705.25
Movement for the year		(963.25)		346.16
Closing Balance	(A)	9,088.16		10,051.41
<b>Disallowance u/s 43B of Income tax Act, 1961 and Gratuity (Deferred Tax Asset)</b>				
Opening Balance		780.86		277.28
Movement for the year		242.73		503.58
Closing Balance	(B)	1,023.59		780.86
<b>Losses Carried Forward in Income Tax (Deferred Tax Asset)</b>				
Opening Balance		9,270.55		9,427.97
Movement for the year		(7,950.58)		(157.42)
Closing Balance	(C)	1,319.97		9,270.55
<b>Total</b>		<b>(A-B-C)</b>	<b>6,744.60</b>	<b>-</b>
<b>2.4 LONG-TERM PROVISIONS</b>				
Employee Benefits (Refer Note 2.21)		272.53		574.60
<b>Total</b>		<b>272.53</b>		<b>574.60</b>
<b>2.5 TRADE PAYABLES</b>				
Dues to				
-Micro and Small Enterprises		-		-
-Others		85,623.75		154,306.77
<b>Total</b>		<b>85,623.75</b>		<b>154,306.77</b>
Based on the information available with the group, there are no dues as at March 31, 2016 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid/payable by the group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.				
<b>2.6 OTHER CURRENT LIABILITIES</b>				
Duties & Taxes Payable		263.19		230.69
Other Liabilities*		12,239.17		12,993.13
<b>Total</b>		<b>12,502.36</b>		<b>13,223.82</b>
* includes amount payable to related party ₹10,162.50 thousand (Previous Year ₹ 11,100.80 thousand)				
<b>2.7 SHORT-TERM PROVISIONS</b>				
Provision for Income Tax*		6,395.65		-
Provision for Employee benefits (Refer Note 2.21)		2,685.12		1,681.69
Provision for Wealth Tax		-		196.12
<b>Total</b>		<b>9,080.77</b>		<b>1,877.81</b>
* Net of TDS of ₹141,98.75 thousand				

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### 2.8 FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block		
	As at 01.04.2015	Additions During the Year	Sale/ Adjustments During the Year	As at 31.03.2016	Upto 01.04.2015	For the Year	Adjusted from Retained Earnings	Written Back/ Adjustments During the Year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>											
<b>Land</b>											
- Leasehold*	437.29	-	-	437.29	144.05	4.42	-	-	148.47	288.82	293.24
- Freehold	14,445.05	-	-	14,445.05	688.82	-	-	688.82	-	14,445.05	13,756.23
<b>Buildings</b>											
- Freehold	86,322.73	-	7,088.63	79,234.10	25,963.20	1,316.90	-	3,938.09	23,342.01	55,892.09	60,359.53
Plant & Machinery	1,124.43	1,838.52	-	2,962.95	645.70	146.14	-	-	791.84	2,171.11	478.73
Furniture & Fixture	4,234.73	140.03	-	4,374.76	4,234.73	12.72	-	-	4,247.45	127.31	-
Office Equipment	-	241.65	-	241.65	-	89.83	-	-	89.83	151.82	-
Computer	-	21.47	-	21.47	-	0.28	-	-	0.28	21.19	-
Vehicles	3,551.47	-	-	3,551.47	2,824.35	177.52	-	-	3,001.87	549.60	727.12
<b>Total</b>	<b>110,115.70</b>	<b>2,241.67</b>	<b>7,088.63</b>	<b>105,268.74</b>	<b>34,500.85</b>	<b>1,747.81</b>	<b>-</b>	<b>4,626.91</b>	<b>31,621.75</b>	<b>73,646.99</b>	<b>75,614.85</b>
<b>Previous Year</b>	<b>110,115.70</b>	<b>-</b>	<b>-</b>	<b>110,115.70</b>	<b>32,867.52</b>	<b>1,603.51</b>	<b>29.82</b>	<b>-</b>	<b>34,500.85</b>	<b>75,614.85</b>	<b>77,248.18</b>

\*Pledged with Indian bank. Refer note no. 2.26

**Note:** As per internal assessment of the Company, there is no asset requiring provision for asset impairment as on March 31, 2016 as per AS-28 on "Impairment of Asset".

### 2.9 NON-CURRENT INVESTMENTS

As at 31.03.2016 As at 31.03.2015

#### A. Trade Investment

##### (i) Investment in Equity Instruments

###### (a) Associate Company - (QUOTED AND AT COST)

Oswal Greentech Limited\* 9,13,84,203 Equity Shares (Previous year 9,13,84,203) of ₹ 10/- each fully paid including share of Profit of ₹9,29,768.69 (Previous year ₹ 7,94,980.42 thousand)

3,305,576.97 3,170,788.70

#### B. Other Investments

##### (i) Investment in Equity Instruments

###### (a) Associate Company - (UNQUOTED AND AT COST)

News Nation Network Private Limited\* 1,64,40,000 Equity Shares (Previous Year 1,64,40,000) of ₹ 10/- each fully paid including share of loss of ₹ 3,11,637.44 thousand (Previous year ₹ 2,05,618.67 thousand) and Goodwill of ₹ 1,331.05 thousand (Previous year ₹ 1,331.05 thousand)

- -

###### (b) Other Companies - (UNQUOTED, NON TRADE, AT COST)

PC Media Systems Limited 1,44,51,500 Equity Shares (Previous Year 12,036,500) of ₹ 10/- each fully paid

314,327.81 290,419.31

Less : Provision for diminution in value of investments\*\*

171,257.96 171,257.96

143,069.85 119,161.35

Superior Portfolio (P) Limited 1,910 Equity Shares (Previous Year 1,910) of ₹ 1000/- each fully paid

7,162.50 7,162.50

##### (ii) Investment in Debentures - (UNQUOTED, NON TRADE, AT COST)

Infotel Business Solutions Limited Nil (Previous Year 10,000,000) 0% Optionally Convertible Debentures of ₹10/- each fully paid

- 100,000.00

#### Total

**3,455,809.32** **3,397,112.55**

Aggregate Cost of Quoted Investments

2,375,808.28 2,375,808.28

Aggregate Market Value of Quoted Investments

1,946,483.52 1,987,606.42

Aggregate Cost of Un-quoted Investments

485,890.31 561,981.81

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 companies, M/s Oswal Greentech Limited and M/s News Nation Network Private Limited, is not permanent in nature. Hence, no provision for the same has been provided during the year ended March 31, 2016.

\*\* Provision of ₹ 1,71,257.96 thousand had been made in respect of investment made in M/s P C Media Systems Limited and these equity shares has been valued at ₹9.90 per share in accordance with net worth of the Company.



Oswal Agro Mills Limited

## NOTES (Contd..)

(Amount in ₹ thousand unless otherwise stated)

	As at 31.03.2016	As at 31.03.2015
<b>2.10 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
Security Deposits	821.34	1,601.09
Loans to body corporate	569,500.01	191,500.00
Income Tax Advances (net of provisions)	49,828.70	69,396.49
<b>Total</b>	<b>620,150.05</b>	<b>262,497.58</b>
<b>2.11 CURRENT INVESTMENT (Quoted, Non-trade, at cost)</b>		
Investment in Mutual Funds	-	396,064.72
Nil Units (Previous Year 157,275.28 Units) of LIC Nomura MF liquid fund- Growth Plan	-	-
<b>Total</b>	<b>-</b>	<b>396,064.72</b>
Aggregate Cost of Quoted Investments	-	396,064.72
Aggregate Market Value of Quoted Investments	-	398,356.11
<b>2.12 INVENTORIES (Cost or net realizable value, whichever is lower)</b>		
<b>Work in Progress</b>		
Project at Chembur, Mumbai	647,616.37	183,495.20
Equity Shares	-	23,908.50
<b>Total</b>	<b>647,616.37</b>	<b>207,403.70</b>
<b>2.13 TRADE RECEIVABLES (Unsecured, considered good)</b>		
Outstanding exceeding six months from due date	-	-
Others	151,198.75	204,430.00
<b>Total</b>	<b>151,198.75</b>	<b>204,430.00</b>
<b>2.14 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>		
Balances with banks		
-in Current Account	9,457.65	7,104.35
Cash in hand	49.97	2.26
Cheques in hand	-	50,000.00
<b>Total</b>	<b>A 9,507.62</b>	<b>57,106.61</b>
<b>Other bank balances</b>		
Fixed Deposits (For Margin Money)*	37,896.14	38,278.88
Less: Provision for Fixed Deposit**	33,409.46	-
<b>Total</b>	<b>B 4,486.68</b>	<b>38,278.88</b>
<b>Total</b>	<b>A+B 13,994.30</b>	<b>95,385.49</b>
* Fixed Deposits are pledged as security/margin money with various government authorities and others.		
** Provision in respect of Fixed deposit encashed by Indian Bank. Refer Note. 2.26		
<b>2.15 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
Loans to body corporate	2,000.00	730,000.00
Advance to Vendors	-	1,000,000.00
Advance to Suppliers	1,601,607.87	16,899.52
Income Tax Advance	4,415.26	-
Other advances	627.80	788.42
<b>Total</b>	<b>1,608,650.93</b>	<b>1,747,687.94</b>
<b>2.16 OTHER CURRENT ASSETS</b>		
Interest receivable	47,997.45	56,725.15
Other Receivable*	30.00	-
<b>Total</b>	<b>48,027.45</b>	<b>56,725.15</b>
* From Related Party		

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>2.17 REVENUE FROM OPERATIONS</b>		
Sale of Real Estate	151,198.75	257,000.00
<b>Other Operating Revenue</b>		
Interest on ICD	141,570.90	117,053.10
Other Interest	–	50,219.18
<b>Total</b>	<b>292,769.65</b>	<b>424,272.28</b>
<b>2.18 OTHER INCOME</b>		
Profit on Trading of units of Mutual Fund	8,645.46	81,475.57
Interest Income	4,611.65	3,176.67
Rental Income	120.00	120.00
Miscellaneous Income	164.67	2.00
Excess Provision Written Back	40.15	–
<b>Total</b>	<b>13,581.93</b>	<b>84,774.24</b>
<b>2.19 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Real Estate	150,123.76	254,306.77
Purchase of WIP Chembur	404,050.45	–
<b>Total</b>	<b>554,174.21</b>	<b>254,306.77</b>
<b>2.20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening stock</b>		
Equity Shares	23,908.50	23,908.50
Project at Chembur, Mumbai	183,495.20	183,495.20
Less: Equity shares held as inventory converted into investment	23,908.50	–
Add: Addition in Project at Chembur, Mumbai	60,070.72	–
<b>Less : Closing stock</b>		
Equity Shares	–	23,908.50
Project at Chembur, Mumbai	647,616.37	183,495.20
<b>Net change</b>	<b>(404,050.45)</b>	<b>–</b>
<b>2.21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	6,049.54	4,924.02
Contribution to provident and other funds	371.26	352.20
Staff welfare expenses	1,020.52	1,387.98
<b>Total</b>	<b>7,441.32</b>	<b>6,664.20</b>

As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below:

### Defined Contribution Plans

The holding Company has recognised the following amount in the Consolidated Statement of Profit and Loss for the year:

	2015-16	2014-15
Contribution to Employees Provident Fund	328.85	312.63

### Defined Benefit Plans :

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	Leave Encashment (Unfunded)		Gratuity (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
<b>(i) Major Assumptions</b>				
(a) Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%
(b) Future Salary Increase	5.50%	5.50%	5.50%	5.50%
(c) Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
(d) Expected Average remaining working lives of employees in number of years	4.22	(2.51)	4.22	(2.51)
<b>(ii) Changes in the Present Value of Obligation</b>				
(a) Present Value of obligation as at beginning of the year	797.83	26.81	1,458.46	788.96
(b) Liability transferred from Oswal Greentech Limited	–	713.70	–	518.99
(c) Interest Cost	63.83	2.28	116.68	67.06
(d) Past Service Cost	–	–	–	–
(e) Current Service Cost	108.70	90.82	122.87	106.20
(f) Benefits Paid	(25.96)	(27.79)	–	–
(g) Actuarial (Gain)/Loss on obligation	119.06	(7.99)	196.20	(22.75)
(h) Present Value of obligation as at end of the year	1,063.45	797.83	1,894.20	1,458.46



Oswal Agro Mills Limited

**NOTES (Contd..)**

(Amount in ₹ thousand unless otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Unfunded)		
	2015-16	2014-15	2015-16	2014-15	
<b>(iii) Changes in the Fair value of Plan Assets</b>					
(a) Present Value of Plan Assets as at beginning of the year	–	–	–	–	
(b) Expected Return on Plan Assets	–	–	–	–	
(c) Employers' Contributions	–	–	–	–	
(d) Last year's settlement	–	–	–	–	
(e) Benefits Paid	–	–	–	–	
(f) Actuarial gain/ (loss) on plan assets	–	–	–	–	
(g) Fair Value of Plan Assets as at end of the year	–	–	–	–	
<b>(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>					
(a) Present Value of Funded Obligation as at end of the year	–	–	–	–	
(b) Fair Value of Plan Assets as at end of the year	–	–	–	–	
(c) Funded (Asset)/Liability recognised in the Balance Sheet	–	–	–	–	
(d) Present Value of Unfunded Obligation as at end of the year	1,063.45	797.83	1,894.20	1,458.46	
(e) Unrecognised Past Service Cost	–	–	–	–	
(f) Unrecognised Actuarial Gains/(Losses)	–	–	–	–	
(g) Unfunded Net Liability recognised in the Balance Sheet	1,063.45	797.83	1,894.20	1,458.46	
<b>(v) Actuarial (gain) /loss recognized</b>					
(a) Actuarial (gain)/loss for the year—obligation	119.06	(7.99)	196.20	(22.75)	
(b) Actuarial (gain)/loss for the year – plan assets	–	–	–	–	
(c) Total (gain)/loss for the year	119.06	(7.99)	196.20	(22.75)	
(d) Actuarial (gain) /loss recognized in the year	119.06	(7.99)	196.20	(22.75)	
(e) Unrecognized actuarial (gain)/Loss at the end of the year	–	–	–	–	
<b>(vi) Amount recognised in the Balance Sheet</b>					
(a) Present Value of Obligation as at end of the year	1,063.45	797.83	1,894.20	1,458.46	
Long Term Provisions	17.66	225.89	254.87	348.71	
Short Term provisions	1,045.79	571.94	1,639.33	1,109.75	
(b) Fair Value of Plan Assets as at end of the year	–	–	–	–	
(c) Asset/(Liability) recognised in the Consolidated Balance Sheet	(1,063.45)	(797.83)	(1,894.20)	(1,458.46)	
<b>(vii) Expenses recognised during the year</b>					
(a) Current Service Cost	108.70	90.82	122.87	106.20	
(b) Past Service Cost	–	–	–	–	
(c) Interest Cost	63.83	2.28	116.68	67.06	
(d) Expected Return on Plan Assets	–	–	–	–	
(e) Net actuarial (Gain)/Loss	119.06	(7.99)	196.20	(22.75)	
(f) Employees' Contribution	–	–	–	–	
(g) Total Expenses recognised during the year	291.58	85.11	435.74	150.51	
Add: Amount apportioned from a group Company	33.18	36.61	87.02	23.50	
(h) Expenses recognised in the Consolidated Statement of Profit and Loss	324.76	121.72	522.76	174.01	
<b>(viii) Expected Employer's Contribution for the next year</b>	–	37.72	58.73	86.87	
<b>(ix) Other Disclosure</b>					
<b>Leave Encashment (Unfunded)</b>					
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present Value of Obligation at the end of the year	1,063.45	797.83	26.81	18.94	20.14
Fair Value of Plan Assets at the end of the year	–	–	–	–	–
Surplus/(Deficit)	(1,063.45)	(797.83)	(26.81)	(18.94)	(20.14)
Experience adjustments on plan liabilities (Gain)/Loss	119.06	(7.94)	26.94	15.66	16.67
Experience adjustments on plan assets (Gain)/Loss	–	–	–	–	–
<b>Gratuity (Unfunded)</b>					
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present Value of Obligation at the end of the year	1,894.20	1,458.46	788.96	599.86	569.72
Fair Value of Plan Assets at the end of the year	–	–	–	–	–
Surplus/(Deficit)	(1,894.20)	(1,458.46)	(788.96)	(599.86)	(569.72)
Experience adjustments on plan liabilities (Gain)/Loss	196.20	(22.65)	110.30	(40.61)	47.61
Experience adjustments on plan assets (Gain)/Loss	–	–	–	–	–



## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

2.22 FINANCE COST	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest others	422.03	345.39
<b>Total</b>	<b>422.03</b>	<b>345.39</b>
<b>2.23 OTHER EXPENSES</b>		
Rent	429.26	828.25
Power and Fuel	842.77	238.31
Rates And Taxes	14,406.06	43,019.37
Listing Fees	494.38	643.26
Printing & Stationery	1,785.06	1,868.58
Postage & Telegram	3,263.94	2,699.25
Consultation & Professional Fee	8,933.50	7,167.64
Donations	96.05	-
Repairs & Maintenance:		
Building	1,080.49	-
Others	4,134.24	113.12
Payment to Auditor (refer note 2.28)	1,168.10	1,143.99
Fixed Assets Written off	751.12	-
Other General Expenses	9,087.19	5,275.51
<b>Total</b>	<b>46,472.16</b>	<b>62,997.28</b>

2.24 PRIOR PERIOD ITEMS		
<b>Expenses</b>		
Fixed Assets Written off	2,399.43	-
<b>Income</b>		
Depreciation excess charged earlier reversed	688.82	-
<b>Total</b>	<b>1,710.61</b>	<b>-</b>

2.25 TAX EXPENSES		
<b>Current Tax</b>		
Income Tax (MAT)	20,173.20	38,564.00
Deferred Tax Liability	6,744.60	-
<b>Income Tax for earlier years</b>	<b>(2,770.88)</b>	<b>-</b>
<b>Total</b>	<b>24,146.92</b>	<b>38,564.00</b>

2.26 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:	As at 31.03.2016	As at 31.03.2015
a) Claims against the Company not acknowledged as debts:		
- Demand raised by Indian Bank*	239,800.88	-
- Demands in respect of Provident Fund	5,467.52	6,117.21
- Other Demand	12,893.34	-

b) Other demand for which the Company is contingently liable:		
Sales Tax	19,275.97	1,422.73

\* Indian Bank has before Debt Recovery Tribunal(DRT), along with notice under SARFAESI Act, 2002, raised a demand of ₹2,39,800.88 thousand (after appropriating the company's FDR of ₹33,409.46 thousand which has been fully provided for) along with interest. The dispute is on account of encashment of Bank Guarantee in 1986 by PNB, UK issued by it on behalf of the Company which is pending before Debt recovery appellate tribunal(DRAT). Company has been legally opined that the present action of Indian Bank is barred by limitation and based upon the facts, legally not maintainable and the Company envisages no liability on this account.

## 2.27 DIRECTOR'S REMUNERATION:

Particulars	March 31, 2016	March 31, 2015
Salary and allowances	1,844.35	1,802.60
Contribution to Provident Fund	131.83	115.63
<b>Total</b>	<b>1,976.18</b>	<b>1,918.23</b>

**Note :** Provision for gratuity and provision for leave encashment has been made on a group basis and separate figures applicable to an individual employee are not available and therefore have not been considered in the above figures.

## 2.28 PAYMENT TO AUDITOR\* (Refer Note - 2.23)

Particulars	March 31, 2016	March 31, 2015
Statutory Audit	1,143.50	1,123.60
Other Services	24.60	20.39
<b>Total</b>	<b>1,168.10</b>	<b>1,143.99</b>

\* inclusive of service tax



Oswal Agro Mills Limited

## NOTES (Contd..)

(Amount in ₹ thousand unless otherwise stated)

### 2.29 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		March 31, 2016	March 31, 2015
Opening Equity Shares (Nos.)		134,234,776	134,234,776
Issued during the year (Nos.)		—	—
Closing Equity Shares (Nos.)		134,234,776	134,234,776
Profit/(Loss) attributable to Equity Shareholders for basic and diluted earnings per share (₹ in thousand)	(A)	175,665.78	160,407.18
Weighted average of Equity Shares outstanding during the year for basic/diluted earnings per share (No.)	(B)	134,234,776	134,234,776
Nominal Value of Equity Shares (₹)		10	10
Basic/Diluted Earnings per share (₹)	(A/B)	1.31	1.19

### 2.30 RELATED PARTY DISCLOSURES - (AS- 18)

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

(a) Key Management Personnel and their relatives:

Mr B.N Gupta CEO & Director  
Mr Parveen Chopra Chief Financial Officer

(b) Associates

News Nation Network Private Limited Associate Company  
Oswal Greentech Limited Associate Company

(c) Enterprises over which Key Management Personnel and their relatives have significant influence:-

Oswal Woollen Mills Limited

(II) Transactions and outstanding balances with Related Parties in the ordinary course of business:

Particulars	Description	March 31, 2016	March 31, 2015
<b>(a) Key Management Personnel and their relatives</b>			
Mr B.N Gupta	<b>Transactions during the year :</b>		
	Managerial Remuneration	1976.18	1,918.23
	Employee Loan given	160.60	—
	Employee Loan received back	160.60	—
	<b>Balance outstanding at year end:</b>		
	Managerial Remuneration payable	—	108.34
Mr Parveen Chopra	<b>Transactions during the year:</b>		
	Salary and Other Benefits	1,139.49	923.43
	<b>Balance outstanding at year end:</b>		
	Salary and Other Benefits Payable	65.25	52.69
<b>(b) Associates</b>			
News Nations Networks Private Limited	<b>Balances outstanding at year end:</b>		
	Investment	—	—
Oswal Greentech Limited	<b>Transactions during the year:</b>		
	Rent Received	120.00	120.00
	Fixed Assets Purchased	2,241.67	—
	Project Inventory Purchased	404,050.45	—
	Project Balances Transferred	60,709.52	—
	Reimbursement of payments made by Enterprise on behalf of the Company	96.18	464.26
	Their share of common expenses transferred from the enterprise	1,800.07	3,608.00
	<b>Balances outstanding at year end:</b>		
	Payable (common expenses)	—	842.52
	Rent Receivable	30.00	—
Investment	3,305,576.97	3,170,788.70	
<b>(c) Enterprises over which Major Shareholders, Key Management Personnel and their relatives have significant influence:-</b>			
Oswal Woollen Mills Limited	<b>Balances outstanding at year end:</b>		
	Other liability	10,097.25	10,097.25

**Note:** The remuneration/Salary and Other benefits to Key management personnel does not include the provisions made for Gratuity and leave benefits, as they are determined on actuarial basis of the group as a whole.

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### 2.31 SEGMENT - (AS-17)

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

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

S No.	Particulars	March 31, 2016	March 31, 2015
<b>(a)</b>	<b>Segment Revenue</b>		
	Investment Activities	150,216.36	198,528.67
	Trading	–	–
	Real Estate	151,198.75	307,219.18
	Unallocated	4,936.47	3,298.67
	<b>Total Segment Revenue</b>	<b>306,351.58</b>	<b>509,046.52</b>
<b>(b)</b>	<b>Segment Result</b>		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	143,215.00	193,907.35
	Trading	(86.19)	(505.47)
	Real Estate	(15,330.84)	10,873.51
	Unallocated	(27,231.44)	(20,800.63)
	Less : Interest & Finance Charges	422.03	345.39
	Less : Exceptional Items	33,409.46	–
	Less : Prior Period Items	1,710.61	–
	<b>Profit from Ordinary Activities before Tax</b>	<b>65,024.43</b>	<b>183,129.37</b>
	Less : Provision for Current Tax	20,173.20	38,564.00
	Less : Deferred Tax Liability	6,744.60	–
	Less : Provision for Taxes for Earlier years	(2,770.88)	–
	<b>Profit from Ordinary Activities after Tax</b>	<b>40,877.51</b>	<b>144,565.37</b>
	Add: Share of Associate	134,788.27	15,841.81
	<b>Profit after share of profit of associate</b>	<b>175,665.78</b>	<b>160,407.18</b>
<b>(c)</b>	<b>Segment Assets</b>		
	Investment Activities	4,079,123.68	4,745,984.38
	Trading	1,606,794.44	44,219.53
	Real Estate	802,625.49	1,467,815.94
	Unallocated	130,550.55	184,902.13
	<b>Total Assets</b>	<b>6,619,094.16</b>	<b>6,442,921.98</b>
<b>(d)</b>	<b>Segment Liabilities</b>		
	Investment Activities	466.45	78.41
	Trading	74.60	70.39
	Real Estate	85,799.07	154,326.37
	Unallocated	27,883.89	15,507.83
	<b>Total Liabilities</b>	<b>114,224.01</b>	<b>169,983.00</b>
<b>(e)</b>	<b>Other Information</b>		
	Capital expenditure (Unallocable)	2,241.67	–
	Depreciation and amortisation (Unallocable)	1,747.81	1,603.51

**Note :** The Company does not have any material operations outside India and hence disclosure of geographic segment is not given.

### 2.32 LEASES - (AS-19)

Rental payments amounting to ₹429.26 thousand (Previous Year ₹828.25 thousand) is recognized in the Consolidated Statement of Profit and Loss for the year ended 31st March 2016.



Oswal Agro Mills Limited

## NOTES (Contd..)

(Amount in ₹ thousand unless otherwise stated)

### 2.33 Details of Loans Given, Investments Made and Guarantee Given covered u/s 186(4) of the Companies Act, 2013

I. Particulars of Loans given are as under:

Borrower Company	As on 31.03.2016	As on 31.03.2015
Minerals Management Services (India) Private Limited	2,000.00	730,000.00
Segue Enterprise Private Limited	59,500.01	71,500.00
ARR ESS Industries Private Limited	–	120,000.00
Jagran Developers Private Limited	440,000.00	–
Maxrich Global stocks Private Limited	70,000.00	–
<b>Total</b>	<b>571,500.01</b>	<b>921,500.00</b>

During the year Company had given loans to Vardhman Financial Services Private Limited of ₹50,000 thousand which were given and received back during the year.

All the above loans has been given for business purposes.

II. Particulars of investment made are given in Note no. 2.9 and 2.11.

III. The Company has not given any guarantee or security in connection with a loan to any other body corporate or person.

### 2.34 Additional Information pursuant to Para 2 of General Instruction for Preparation of Consolidated Financial Statements in Schedule III to The Companies Act, 2013

S.No	Name of entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
		As a % of consolidated net assets	(₹ in thousand)	As a % of consolidated profit or loss	(₹ in thousand)
	<b>Parent Company</b>	24.48%	1,592,573.36	23.32%	40,963.69
	<b>Foreign Subsidiaries:</b>				
1	Oswal Overseas Limited	24.70%	1,606,719.82	-0.05%	(86.18)
	<b>Associate:</b>				
1	Oswal Greentech Limited	50.82%	3,305,576.97	76.73%	134,788.27
2	News Nation Network Private limited	–	–	–	–
	<b>Total</b>	<b>100%</b>	<b>6,504,870.15</b>	<b>100%</b>	<b>175,665.78</b>

### 2.35 OTHER NOTES:

- In the opinion of the management, all current assets and loan & advances as on March 31, 2016 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- 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 LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary

(Amount in ₹ thousand unless otherwise stated)

**Information Pursuant to First Proviso to Sub Section (3) of Section 129 of Companies Act, 2013  
part of Consolidated Financial Statement**

Form AOC-I

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

**PART A : Subsidiaries**

	PARTICULARS	
1	S. No.	1
2	Name of the subsidiary	Oswal Overseas Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Currency: US Dollar Rate: ₹ 66.3329/ USD
5	Share capital	1,632,452.67
6	Reserves & surplus	(25,732.85)
7	Total assets	1,606,794.44
8	Total Liabilities	74.63
9	Investments	-
10	Turnover	-
11	Profit before taxation	(87.23)
12	Provision for taxation	-
13	Profit after taxation	(87.23)
14	Proposed Dividend	-
15	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations

Oswal Overseas Limited

2. Names of subsidiaries which have been liquidated or sold during the year.

NA

**Part B: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

	PARTICULARS	1	2
1	Name of Associates/Joint Ventures	<b>Oswal Greentech Limited</b>	<b>News Nation Network Pvt. Ltd.</b>
2	Latest audited Balance Sheet Date	31.03.2016	31.03.2016
3	Shares of Associate/Joint Ventures held by the Company on the year end No.		
	a) No.	91,384,203	16,440,000
	b) Amount of Investment in Associates/Joint Venture	2,375,808.28	164,400.00
	c) Extend of Holding %	35.58%	22.84%
4	Description of how there is significant influence	More than 20% of the total share capital	More than 20% of the total share capital
5	Reason why the associate is not consolidated	Consolidated	Consolidated
6	Networth attributable to Shareholding as per latest audited Balance Sheet	7,627,079.87	(148,568.72)
7	Profit / (Loss) for the year	378,783.87	(464,121.00)
	a) Considered in Consolidation	134,788.27	0*
	b) Not Considered in Consolidation	243,995.60	(464,121.00)

\* The loss for the year has not been considered for consolidation as the accumulated losses have already exceeded the amount of investment in associate in the previous year.

1. Names of Associates which are yet to commence operations

NA

2. Names of Associates which have been liquidated or sold during the year.

NA

As per our report of even date attached

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

Surender Kumar  
Partner  
Membership No. 082982

Place : New Delhi  
Date : 30<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
OSWAL AGRO MILLS LIMITED

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Pooja Daid  
Company Secretary



## IMPORTANT COMMUNICATION TO SHAREHOLDERS

Dear Shareholders,

There is growing awareness and concern on the need to protect our environment around the globe. **OSWAL AGRO MILLS LIMITED** has always been a Company that has taken the lead in its efforts to protect the environment, with a strong focus on eco-sustainability in our operations. Taking this future, we now propose to send documents such as the Annual Report, Notices and other documents to the shareholders through electronic, paperless mode.

This is also in line with the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) permitting listed entities to send soft copies of Annual Report, Notice and other documents to those shareholders who have registered their e-mail id for the said purpose.

We request you to join us in this noble initiative and look forward to your consent for receiving communication through the electronic mode.

To do this, you are requested to take the following steps-

**FOR THE SHARES** held in physical mode: Kindly provide the following details in the prescribed format, as under and sent to us on any of the following address.

**FOR THE SHARES** held in dematerialized mode: Please update/register your e-mail id with your Depository Participant.

The Annual Report of your Company would also be available on the Company's website – [www.oswalagromills.com](http://www.oswalagromills.com)

**OSWAL AGRO MILLS LIMITED**  
 (CIN- L15319PB1979PLC012267)  
 Regd. Office: Near Jain Colony, Vijay Inder Nagar,  
 Daba Road, Ludhiana-141003 (Punjab)  
 Phone No. 0161-2544313

**Registrar & Share Transfer Agent**  
 Skyline Financial Services Pvt. Ltd.  
 D-153/A, First Floor,  
 Okhla Industrial Area, Phase-I,  
 New Delhi-110020  
 Ph: +91-11-64732681-88, Fax: +91-11-26812683

**Head Office :**  
 7th Floor, Antriksh Bhawan,  
 22, K G Marg, New Delhi-110001  
 Phone No. +91-11-23715242, Fax No. +91-11-23716276

.....✂️.....✂️.....✂️.....

Dear Sir,

**Sub: Service of Annual Report, Notice and other documents in electronic mode**

I hereby give my consent to receive the above mentioned documents through the electronic mode.

Name & address of sole/first shareholder : .....

.....  
 .....

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

No of Shares held : .....

E-mail ID : .....

Place :

Date :

\_\_\_\_\_  
 Signature of sole/first shareholder





**OSWAL AGRO MILLS LIMITED**  
(CIN-L15319PB1979PLC012267)

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

**ATTENDANCE SLIP**  
(To be presented at the entrance Hall)

NAME OF SHAREHOLDER/PROXY	
DP ID, CLIENT ID / FOLIO NO	
NO OF SHARES HELD	

I/we hereby record my/ our presence at the 36<sup>th</sup> Annual General Meeting of the Company, being held on Thursday, the 29<sup>th</sup> September, 2016 at 12.30 P.M. at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)

(Signature of Shareholder/Proxy)

.....✂.....✂.....✂.....

**OSWAL AGRO MILLS LIMITED**  
(CIN-L15319PB1979PLC012267)

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

**PROXY FORM**  
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administrations) Rules, 2014)

Name of the Member (s) : .....

Registered Address: .....

Email: .....

DP ID CLIENT ID / FOLIO NO	
NO OF SHARES HELD	

I/We ..... of..... being a member /members of OSWAL AGRO MILLS LIMITED hereby appoint:

Name ..... Resident of .....

Email id ..... Signature .....or failing him/her

Name ..... Resident of .....

Email id ..... Signature .....or failing him/her

Name ..... Resident of .....

Email id ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 36<sup>th</sup> ANNUAL GENERAL MEETING of the Company, being held on Thursday, the 29<sup>th</sup> September, 2016 and at any adjournment thereof in respect of such resolutions as are indicated hereunder:

1. Adoption of Audited Financial Statements (including Consolidated Financial Statements) as at 31<sup>st</sup> March, 2016 together with Directors' and Auditors' Report thereon.
2. Re-appointment of Mr. Bhola Nath Gupta (DIN 00562338), who retires by rotation.
3. To re-appoint M/s T R Chadha & Co LLP Chartered Accountants, (ICAI Firm Registration Number 006711N) as Statutory Auditors of the Company.
4. Appointment of Mrs. Aruna Oswal (DIN 00988524) as Non-Executive Non-Independent Director of the Company.
5. Appointment of Mr. Vikram (DIN 07555192) as Non-Executive Independent Director of the Company.
6. Appointment and fixation of Remuneration of Mr. Bhola Nath Gupta (DIN 00562338) as Chief Executive Officer and Whole Time Director of the Company.

Signed this ..... day of ..... 2016



(Signature of Proxy) .....

(Signature of member)

- NOTE:**
1. The form should be signed across the stamp as per specimen signature registered with the Company.
  2. The proxy form should reach the Company not less than 48 hours before the time fixed for holding the meeting.
  3. A Proxy need not be a shareholder of the Company.
  4. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.





If undelivered please return to:

**OSWAL AGRO MILLS LIMITED**  
**(CIN- L15319PB1979PLC012267)**

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