

# ANNUAL REPORT 2012-13



Oswal Agro Mills Limited

**BOARD OF DIRECTORS**

Shri Abhey Kumar Oswal -Chairman  
Shri Anil Bhalla -Director  
Shri Sunil Kumar Kulshrestha -Director  
Shri Bholu Nath Gupta -CEO & Director

**CFO & COMPANY SECRETARY**

Shri R. P. Jolly

**AUDITORS**

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

**BANKERS**

The Royal Bank of Scotland N.V  
HDFC Bank Ltd.  
Syndicate Bank

**REGISTERED OFFICE**

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

**WORKS**

Mandideep (Bhopal)

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, First Floor,  
Okhla Industrial Area, Phase-I,  
New Delhi-110020  
Ph: +9111-26812682  
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## NOTICE OF THE MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Company will be held on Saturday, the 28<sup>TH</sup> September, 2013 at 11.30 A.M. at the Registered Office of the Company at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana -141003 (Punjab), to transact the following Business:

### ORDINARY BUSINESS:

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

“Resolved that the Company’s audited Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss as at 31<sup>st</sup> March, 2013 and the audited Cash Flow Statement for the financial year ended on that date together with Directors’ and Auditors’ Report thereon be and are hereby approved and adopted.”

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

“Resolved that Mr. Anil Bhalla, who retires from the office of Director by rotation in this Annual General Meeting and being eligible offers himself for re-election, be and is hereby re-elected as a Director of the Company, whose office shall be liable to retirement by rotation.”

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

“Resolved that M/s T.R. Chadha & Company, Chartered Accountants, retiring auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on remuneration to be decided by the Board of Directors.”

By Order of the Board  
For OSWAL AGRO MILLS LIMITED

Place : New Delhi

Date : 12.08.2013

R.P. Jolly  
CFO & Company Secretary

### NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on behalf of him/her 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. Corporate members intending to send their authorized representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>ST</sup> September 2013 to 28<sup>TH</sup> September 2013 (both days inclusive).
5. The Members are requested to:
  - (a) Take the advantage of dematerialization of shares as Company’s scrip has been put under 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.
6. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
7. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays up to the date of the Annual General Meeting.
8. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their client ID Number and their DP ID Number.
9. Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.



**Oswal Agro Mills Limited**

**10. IMPORTANT COMMUNICATION TO MEMBERS:-**

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

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

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

1. Shri Anil Bhalla is director of the company, appointed on the Board of the company w. e. f. 19<sup>th</sup> May, 2007. He has vast experience in commercial and administrative field and has made valuable contribution in the growth of the company's business. He besides pioneer is innovative, novel & meticulous.

He is a Managing Director on the Board of Oswal Greentech Limited as well as director on the board of Lucky Star Entertainment Limited. He is also a trustee of Aruna Abhey Oswal Trust. He is a member of Share Transfer Committee and Investor Grievance Committee in your Company. Neither he nor any of his family members hold any shares of this Company.

By Order of the Board  
For OSWAL AGRO MILLS LIMITED

Place : New Delhi  
Date : 12.08.2013

R.P. Jolly  
CFO & Company Secretary

## DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 33<sup>rd</sup> Annual Report together with the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2013 and other accompanying reports, notes and certificates.

### FINANCIAL HIGHLIGHTS

PARTICULARS	(₹ in Lacs)	
	Current Year 31.03.2013	Previous Year 31.03.2012
Operating & other Income	4735	1375
Profit/(Loss) before Depreciation & Provision for taxation	(765)	(4652)
Less: Depreciation	13	13
: Provision for Tax	—	
: Deferred Tax	—	
Profit/ (Loss) after Depreciation & Tax	(778)	(4665)
Add: Balance brought forward from Previous year	(6853)	(2188)
Balance carried to Balance Sheet	(7631)	(6853)

### REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year, the company has suffered a loss of ₹ 7.78 crores against the loss of ₹ 46.65 crores in the previous year. During the year company was mainly engaged in investment activities.

As you are aware the company had commenced the development of land situated at Chembur, Mumbai after obtaining all necessary government approvals for residential and commercial complexes. The joint development agreement with M/s. Oswal Greentech Ltd. was stopped as per the judgment of Hon'ble High Court of Mumbai due to which the company's commercial activities have suffered a setback. The company's petition before Hon'ble Supreme Court of India was heard and judgment is expected soon. The future outlook in the Real Estate sector looks encouraging.

### DIVIDEND

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

### PUBLIC DEPOSITS

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

### AUDITORS' REPORT

The Auditors' report on audited accounts for the Financial Year 2012-2013 has nil qualification. The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory.

### AUDITORS

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

### DIRECTORS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company.
- ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the Loss of the Company for the year ended 31<sup>st</sup> March, 2013.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the annual accounts have been prepared on going concern basis.



## Oswal Agro Mills Limited

### AUDIT COMMITTEE

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2013 and has not given any adverse observations. It has also recommended the re-appointment of M/s T.R. Chadha & Company, Chartered Accountants as statutory auditors of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### CORPORATE GOVERNANCE

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

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

### PARTICULARS OF EMPLOYEES

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

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

The Management is highly conscious with regard to the conservation of energy at all operational levels. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipments. The requirement of disclosure of the particulars as required u/s 217 (e) of the Companies Act, 1956 read with (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as the Company is not operating any manufacturing facility. During the year under review, the foreign exchange earnings and outgo of the Company were "NIL" (Previous years -NIL).

### SUBSIDIARY COMPANY

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

### EMPLOYEE RELATIONS

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

### LISTING

Your Company's equity shares are listed on following Stock Exchanges – National Stock Exchange of India (NSE), Bombay Stock Exchange Ltd. (BSE), Delhi Stock Exchange Ltd. (DSE), Calcutta Stock Exchange Association Ltd (CSE), Ahmedabad Stock Exchange Ltd. (ASE), The Ludhiana Stock Exchange Ltd. (LSE), The U.P. Stock Exchange Association Ltd. (UPSE) and Chennai Stock Exchange Ltd. (CSE). As on the date shares of the Company are not traded in DSE, CSE, ASE, LSE, UPSE and CSE because all these stock exchanges are not in operation / or working.

Trading in the share of the company was commenced by Bombay Stock Exchange from May, 2012 whereas the matter regarding the revocation of trading in the shares of the company is pending with National Stock Exchange of India (NSE).

### ACKNOWLEDGEMENT

Your Directors wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year. Your Directors also wish to place on record their deep sense of appreciation for the contributions made and committed services rendered by the employees of the Company at various levels, to the growth & success of the Company.

For and on behalf of the Board  
Oswal Agro Mills Limited

Place : New Delhi  
Date : 12.08.2013

**Anil Bhalla**  
Director

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

The Company believes that corporate governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for the effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. Through its processes and independence of functioning, the Board of Directors of the Company provides effective leadership to the Company and its management for achieving sustained prosperity for all the stakeholders.

Good Corporate Governance implies optimum utilization of the resources and ethical behavior of the enterprise to enhance the stakeholders' value with strong emphasis on transparency, accountability and integrity.

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

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

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

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

### 2. BOARD OF DIRECTORS

#### a) Composition

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

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

The Composition of the Board, attendance of each of the Directors at the Board Meeting held during the financial year ended 31st March, 2013 and at the last Annual General Meeting is as under:-

Name of Directors and their DIN No.	Designation	Category	No of Meetings held	No of Board Meetings attended	No of Directorship in other Companies	No. of Membership in other Companies		Attendance at the Last AGM
						As Chairman	As Member	
Sh. Abhey Kumar Oswal 00589130	Chairman	Non-Executive Non-Independent	10	6	1	Nil	4	No.
Sh. Anil Bhalla 00587533	Director	Non-Executive Non-Independent	10	10	2	Nil	4	No
Sh. Bholu Nath Gupta 00562338	Director	Non-Executive Independent	10	10	-	Nil	3	Yes
Sh. Sunil Kumar Kulshrestha 01070854	Director	Non-Executive Independent	10	4	2	Nil	2	No

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

During the year under review ten Board meetings were held on 24/04/2012, 29/05/2012, 09/08/2012, 25/08/2012, 10/09/2012, 25/10/2012, 10/11/2012, 14/01/2013, 09/02/2013 and 11/02/2013. The maximum time gap between two consecutive Board meetings was not more than four calendar months.

#### d) Board's Procedures

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

#### COMMITTEES OF THE BOARD

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

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



## Oswal Agro Mills Limited

### 3. AUDIT COMMITTEE

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

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

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

**(b) Composition, Name of Members and Chairman**

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

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

**(c) Meetings and attendance during the year**

The Audit Committee met four times during the year on 29/05/2012, 09/08/2012, 10/11/2012 and 11/02/2013 .The name of Members and their attendance at the Audit Committee Meeting is as under:

Members	Category	Meetings Held	Meetings Attended
Sh. Abhey Kumar Oswal	Non-Executive Non-Independent	4	2
Sh. Bhola Nath Gupta	Non-Executive Independent	4	4
Sh. Sunil Kumar Kulshrestha	Non-Executive Independent	4	4

### 4. REMUNERATION COMMITTEE

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

### 5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

**(a) Terms of Reference**

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

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

As on 31st March, 2013, the Shareholders/Investors' Grievance Committee consists of 3 Non-Executive directors viz. Shri. Abhey Kumar Oswal, Shri Anil Bhalla and Shri Bhola Nath Gupta.

**(c) Attendance during the year**

The Shareholders/Investors Grievance Committee met twice during the year. The name of Members and their attendance at the Committee meeting is as under:

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

**(d) Details of Complaints**

The Company has received 15 complaints during the year ended 31.03.2013, out of which 14 complaints have been resolved till 31.03.2013 and 1 complaint was resolved in the month of April/May 2013.

**6. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

S. No.	Financial Year	Location	Date	Time	Special Resolutions Passed
1	2011-12	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	29.09.2012	11.30 A.M.	NIL
2	2010-11	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	30.09.2011	11.30 A.M.	NIL
3	2009-10	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	30.09.2010	11.30 A.M.	NIL

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

**8. DISCLOSURES**

- (i) None of the transaction with any of related parties was in conflict with the interest of the Company. Attention of Members is drawn to the disclosure of transactions with the related parties set out in the Notes on Account-Schedule, forming part of Annual Report.
- (ii) During the last three years the company has not made any non compliance, no penalties were levied, no structure imposed on the company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to the capital markets.
- (iii) The Company has complied with all the Mandatory requirements of Clause 49 of the Listing Agreement with Stock Exchanges on Corporate Governance. As regards the Non-mandatory requirements, the Company will endeavor to implement them to the extent possible.
- (iv) The Company has complied with all applicable accounting standards except certain departure, which are explained — in note no. 2.32 to notes to the Accounts, forming part of Balance Sheet.
- (v) The Company has a Wholly Owned Subsidiary company named 'Oswal Overseas Ltd., in UAE for pursuing various international projects.
- (vi) 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.
- (vii) Whistle Blower Policy: The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report to the management, concerns, about ethical behavior or actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further no member of staff has been denied access to the Audit Committee.

**9. CODE OF CONDUCT**

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

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

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

**11. MEANS OF COMMUNICATION**

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



## Oswal Agro Mills Limited

### 12. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting is propose to be held		
Date	:	28 <sup>TH</sup> September, 2013
Day	:	Saturday
Venue	:	Near Jain Colony, Vijayinder Nagar, Daba Road, Ludhiana, Punjab.
Book Closure Date	:	21 <sup>ST</sup> September, 2013 to 28 <sup>TH</sup> September, 2013 (both days Inclusive)
Dividend Payment	:	The directors have not proposed any dividend for the financial year ended 31 <sup>ST</sup> March, 2013

### 13. (a) FINANCIAL CALENDAR

Un-audited Financial Results	
For the quarter ended	Tentative Dates
30.06.2013	2nd Week of Aug, 2013
30.09.2013	2nd Week of Nov, 2013
31.12.2013	2nd Week of Feb, 2014
31.03.2014	2nd Week of May, 2014/4th Week of May, 2014.
Next Annual General Meeting	Last week of September, 2014

### b) Listing at Stock Exchanges

The shares of the Company are listed on the following Stock Exchanges:	
Stock Exchanges	Scrip Code
Bombay Stock Exchange Ltd.	500317
The Delhi Stock Exchange Ltd.	00037
The U.P Stock Exchange Association Ltd.	Not Available
The Calcutta Stock Exchange Association Ltd.	Not Available
Madras Stock Exchange Ltd.	Oswal Agro
The Ludhiana Stock Exchange Ltd.	Not Available
The Ahmedabad Stock Exchange Ltd.	Not Available
The National Stock Exchange of India Ltd.	Oswal Agro

The Annual Listing Fee for the year 2013-14 has been paid to The National Stock Exchange of India Limited and Bombay Stock Exchange Limited only, whereas the Listing Fees has not been paid to other Exchanges.

### c) Stock Market Price

The trading in the share of the Company was started with Mumbai Stock Exchange only from 8<sup>th</sup> May, 2012, in last year. The stock market price (high/low) during the financial year 2012-13 is given hereunder:

April, 2012 to March, 2013(Month wise)	Mumbai Stock Exchange	
	HIGH(₹)	LOW(₹)
April, 2012	N.A.	NA
May, 2012	33.50	20.88
June, 2012	27.60	21.20
July, 2012	30.95	19.00
August, 2012	23.00	15.00
September, 2012	20.90	14.00
October, 2012	19.00	16.25
November, 2012	18.75	16.30
December, 2012	17.90	15.00
January, 2013	17.45	15.25
February, 2013	16.15	12.60
March, 2013	14.45	10.16

d) **Distribution of Shareholding as on 31.03.2013**

No. of Shares	No. of Shares Held	%	No. of Shareholders	%
1 -500	25619010	19.09	214418	93.41
501-1000	6901648	5.14	9465	4.12
1001-2000	4839350	3.61	3440	1.50
2001-3000	2086961	1.55	844	0.37
3001-4000	1338390	1.00	384	0.17
4001-5000	1071240	0.80	232	0.10
5001-10000	2748202	2.05	391	0.17
1000 and above	89629975	66.77	359	0.16
<b>TOTAL</b>	<b>134234776</b>	<b>100.00</b>	<b>229533</b>	<b>100.00</b>

e) **SHAREHOLDING PATTERN AS ON 31.03.2013**

Category	No. of Shares Held	% of Shareholding
A Promoters and Associates	56033182	41.74
B Banks, Financial Institutions and Mutual Funds	3697854	2.75
C Indian Public	73099684	54.46
D NRI/OCB/FII's	1404056	1.05
<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 Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

M/s Skyline Financial Services Private Limited  
D-153/A, First Floor, Okhla Industrial Area, Phase-I  
New Delhi-110020  
Ph: 011-26812682, Fax-011-26812683  
E-mail: [admin@skylinerta.com](mailto:admin@skylinerta.com), Website: [www.skylinerta.com](http://www.skylinerta.com)

g) **Compliance Officer**

Shri R P Jolly, CFO & Company Secretary is Compliance Officer of the Company.  
Email: [rpjolly@oswalfert.com](mailto:rpjolly@oswalfert.com), Web site: [www.oswalagromills.com](http://www.oswalagromills.com)

h) **Share Transfer System**

The Shares of the Company fall under the Category of compulsory demat form for all the investors. The Share Transfer requests received in physical form are registered within 15 days from the date of lodgment of shares and demat requests received from the Depository Participants are processed within 14 days from the date of receipt.

i) **Dematerialization of Shares**

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has listed its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). Company has been allotted ISIN No- INE 142A01012. As on 31.03.2013 total 100061158 numbers of Equity Shares (74.54 % of capital) have been dematerialized.

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

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

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

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

l) **Plant Location**

Mandideep, Madhya Pradesh

m) **Address for Correspondence**

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

For and on behalf of Board  
For OSWAL AGRO MILLS LIMITED

Place : New Delhi  
Date : 12.08.2013

Anil Bhalla  
Director



**Oswal Agro Mills Limited**

## **DECLARATION UNDER CLAUSE 49-1 (D) OF THE LISTING AGREEMENT BY THE DIRECTOR**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I Anil Bhalla, Director of Oswal Agro Mills Ltd, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the Financial Year ended on 31<sup>st</sup> March 2013.

Place : New Delhi  
Date : 12.08.2013

Anil Bhalla  
Director

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

To  
The Members  
Oswal Agro Mills Limited

We have examined the compliance of conditions of Corporate Governance by Oswal Agro Mills Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchanges in India.

We have conducted our review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2013 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 examination was limited to a review of the 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.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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 A.K. Nandwani & Associates  
Company Secretaries

Place : New Delhi  
Date : 12.08.2013

Anil Kumar Nandwani  
Partner  
FCS-4754,CP-3107

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis (MD &A) is intended to help the reader to understand the results of operation, financial condition of Oswal Agro Mills Ltd.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. 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.

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

### **OVERVIEW:**

During the year company was mainly engaged in investment activities. As you are aware the company had commenced the development of land situated at Chembur, Mumbai after obtaining all necessary government approvals for residential and commercial complexes. The joint development agreement with M/s. Oswal Greentech Ltd. was stopped as per the judgment of Hon'ble High Court of Mumbai due to which the company's commercial activities have suffered a setback. The company's petition before Hon'ble Supreme Court of India was heard and judgment is expected soon. The future outlook in the Real Estate sector looks encouraging.

### **SEGMENTWISE PERFORMANCE:**

During the year ended 31st March 2013 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. 2.33, Notes on Accounts, forming part of the Annual Report.

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

**INDUSTRIAL RELATIONS:**

The relation with employees remained cordial throughout the year.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

**RISKS & CONCERNS:**

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

**OPPORTUNITIES AND OUTLOOK:**

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

**RISK MANAGEMENT:**

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

**CAUTIONARY STATEMENT:**

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



Oswal Agro Mills Limited

## INDEPENDENT AUDITOR'S REPORT

To the Members of Oswal Agro Mills Limited  
Report on the Financial Statements

We have audited the accompanying financial statements of Oswal Agro Mills Limited ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March 2013, the statement of profit and loss of the Company for the year then ended, the cash flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account; and
  - (d) in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Govt. of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure as statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. On the basis of the written representations received from the directors, as at 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.

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

**(Surender Kumar)**  
Partner

Membership Number: 82982

Place : New Delhi

Date : 28<sup>th</sup> May, 2013

## ANNEXURE TO AUDITORS' REPORT

[Referred in paragraph 2 of Report on Other Legal and Regulatory Requirements of even date]

- i)
  - a) The Company has maintained proper records other than plant & machinery and furniture & fixtures for closed Units, to show full particulars including quantitative details and situation of its fixed assets.
  - b) According to explanations given to us all the fixed assets other than plant & machinery and furniture & fixtures for closed units, have been physically verified by the management at the year end, which in our opinion is considered reasonable having regard to the size of the company and nature of its business. No material discrepancy noticed on such verification as compared to book records.
  - c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the Company during the year.

- ii) a) As explained to us, the inventories were physically verified during the year by the management at the reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. No material discrepancy has been noticed on physical verification of inventory as compared to book records.
- iii) According to the information and explanation given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the 'Act'. Accordingly, the provisions of clause 4 (iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, in general, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the 'Act', have been so entered and there are no transactions made in pursuance of contracts and arrangement entered into the register in pursuance of Section 301 of the 'Act' and exceeding the value of rupees five Lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the Rules framed there under are applicable.
- vii) In our opinion, the Company's present internal audit system is generally commensurate with its size and nature of its business.
- viii) The company is not engaged in any manufacturing or other activity requiring maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us, there are no material dues of income tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute. However according to the information and explanations given to us, the following dues of sales tax and excise duty have not been deposited by the Company on account of a dispute:

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

- x) The accumulated losses of the company as at March 31, 2013 are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year ended on that date and also in immediately preceding financial year.
- xi) According to the information and explanation given to us, the company does not have any loan from any financial institution and has not issued any debentures. Accordingly the provisions of the clause 4 (xi) of the order are not applicable to the Company.
- xii) In our opinion, and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of the clause 4 (xii) of the order are not applicable to the Company.
- xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the Company.
- xiv) In our opinion, the Company is trading in shares, securities, and other investments. The company is maintaining separate records of the transactions and contracts and making timely entries therein. These shares and other securities are held by the company in its own name.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Therefore, the provisions of clause 4 (xv) of the order are not applicable to the Company.
- xvi) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Therefore, the provisions of clause 4 (xvi) of the order are not applicable to the Company.
- xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) According to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the 'Act' during the year.
- xix) According to information and explanations given to us, the Company has not issued any debenture during the year and accordingly, no securities have been created.
- xx) According to information and explanations given to us, the Company has not raised any money by public issues during the year.
- xxi) According to information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

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

**(Surender Kumar)**

Partner

Membership Number: 82982

Place : New Delhi  
Date : 28<sup>th</sup> May, 2013



Oswal Agro Mills Limited

**BALANCE SHEET AS AT 31ST MARCH 2013**

(₹ in thousand)

Particulars	Note No.	As At 31.03.2013	As At 31.03.2012
<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	4,022,327.20	4,100,095.96
		<b>5,364,674.96</b>	<b>5,442,443.72</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net)	2.3	-	-
(b) Other Long term liabilities	2.4	10,097.25	10,097.25
(c) Long-term provisions	2.5	368.99	342.18
		<b>10,466.24</b>	<b>10,439.43</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	2.6	-	250,000.00
(b) Trade payables	2.7	105,972.00	-
(c) Other current liabilities	2.8	3,287.13	1,373.72
(d) Short-term provisions	2.9	460.21	465.37
		<b>109,719.34</b>	<b>251,839.09</b>
<b>Total</b>		<b>5,484,860.54</b>	<b>5,704,722.24</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.10		
(i) Tangible Assets		78,676.16	56,970.40
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		-	20,772.50
(b) Non-current investments	2.11	2,830,316.24	2,697,278.28
(c) Long-term loans and advances	2.12	841,897.63	1,951,135.53
		<b>3,750,890.03</b>	<b>4,726,156.71</b>
<b>(2) Current assets</b>			
(a) Current Investment	2.13	530,000.00	2,703.57
(b) Inventories	2.14	207,403.70	207,403.70
(c) Trade Receivables	2.15	244,135.00	-
(d) Cash and bank balances	2.16	390,236.95	96,122.56
(e) Short-term loans and advances	2.17	326,118.21	650,026.61
(f) Other current assets	2.18	36,076.65	22,309.09
		<b>1,733,970.51</b>	<b>978,565.53</b>
<b>Total</b>		<b>5,484,860.54</b>	<b>5,704,722.24</b>
<b>III. Significant Accounting Policies and Notes</b>			
<b>Forming Part of the Financial Statements</b>	1 & 2		

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 28th May 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ in thousand)

Particulars	Note No.	For The Year Ended	
		31.03.2013	31.03.2012
I. Revenue from operations	2.19	459,146.48	94,867.70
II. Other income	2.20	14,388.54	42,615.10
<b>III. Total Revenue (I + II)</b>		<b>473,535.02</b>	<b>137,482.80</b>
<b>IV. Expenses:</b>			
Purchase of stock-in-trade	2.21	244,000.00	-
Changes in inventories of Stock-in-Trade	2.22	-	-
Employee benefits expense	2.23	3,284.23	3,078.61
Finance costs	2.24	2.87	477.93
Depreciation and amortization expense	2.10	1,270.98	1,279.94
Other expenses	2.25	34,583.66	45,668.39
<b>Total expenses</b>		<b>283,141.74</b>	<b>50,504.87</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>190,393.28</b>	<b>86,977.93</b>
<b>VI. Exceptional Items</b>	2.26	<b>268,162.04</b>	<b>548,726.85</b>
<b>VII. Prior Period Adjustments</b>	2.27	-	<b>929.11</b>
<b>VIII. Profit before tax (V- VI-VII)</b>		<b>(77,768.76)</b>	<b>(462,678.03)</b>
<b>IX. Tax expense:</b>	2.28		
-Current tax		-	-
-Tax for earlier years		-	2,595.44
<b>X. Profit / (Loss) for the period after Tax before extra-ordinary items(VIII-IX)</b>		<b>(77,768.76)</b>	<b>(465,273.47)</b>
<b>XI. Extra-ordinary items - Foreign Exchange Fluctuation (net of tax ₹ Nil thousand)</b>		-	<b>1,200.00</b>
<b>XII. Profit / (Loss) for the period after Tax after extra-ordinary items(X-XI)</b>		<b>(77,768.76)</b>	<b>(466,473.47)</b>
Earning per Share (Nominal Value of ₹10 each)	2.31		
Basic/ Diluted on profit before extraordinary item		(0.58)	(3.47)
Basic/ Diluted on profit after extraordinary item		(0.58)	(3.48)
<b>XIII. Significant Accounting Policies and Notes Forming Part of the Financial Statements</b>	1 & 2		

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 28th May 2013



Oswal Agro Mills Limited

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ in thousand)

	Year Ended March 31,2013		Year Ended March 31,2012	
<b>I. Cash Flows From Operating Activities:</b>				
Net Profit before tax and extra-ordinary items		(77,768.76)		(462,678.03)
Adjustments for:				
Depreciation	1,270.98		1,279.94	
Finance Expense	2.87		477.93	
Interest Income	(217,803.18)		(98,398.64)	
Balances written back	-		(76,030.45)	
Assets written off	-		24.52	
Diminution in value of Inventories	-		434,941.50	
Provision for diminution in investment	16,962.04		171,257.96	
Provision for Gratuity & Leave Encashment	28.94		109.13	
Prior Period Expenses/(Income) (Net)	-		929.11	
Wealth Tax Provision	210.40	(199,327.95)	217.69	434,808.69
<b>Operating profit before working capital changes</b>		<b>(277,096.71)</b>		<b>(27,869.34)</b>
Adjustments for changes in working capital :				
- Increase/(Decrease) in Trade Payable, other current liabilities & provisions	(142,114.60)		(31,477.61)	
- (Increase)/Decrease in Trade Receivable, Loans & advances & other receivables	1,210,790.64		(941,777.95)	
- (Increase)/Decrease in Inventories	-	1,068,676.04	-	(973,255.56)
<b>Cash generated from operations</b>		<b>791,579.33</b>		<b>(1,001,124.90)</b>
- Prior Period (Expenses)/Income (Net)	-		(929.11)	
- Wealth Tax Paid	(217.69)		(225.08)	
- Taxes (Payment)/Refund	(21,779.34)	(21,997.03)	(34,868.33)	(36,022.52)
<b>Net cash from operating activities before extra-ordinary items</b>		<b>769,582.30</b>		<b>(1,037,147.42)</b>
Extra-ordinary Items		-		1,200.00
<b>Net cash from operating activities after extra-ordinary items</b>		<b>769,582.30</b>		<b>(1,038,347.42)</b>
<b>II. Cash Flow From Investing Activities:</b>				
Purchase of fixed assets	(2,204.24)		(9,083.23)	
Proceeds from Sale/return of fixed assets	-		-	
(Purchase)/Sale of Long-term investments (Net)	(150,000.00)		5,434.35	
(Purchase)/Sale of Current investments (Net)	(527,296.43)		(2,703.57)	
(Purchase)/Sale of Fixed Deposits	(6,566.48)		17,036.09	
Interest Received (Revenue)	204,035.63		98,398.64	
<b>Net cash used in/from investing activities</b>		<b>(482,031.52)</b>		<b>109,082.28</b>
<b>III. Cash Flows From Financing Activities:</b>				
Finance Expense Paid	(2.87)		(477.93)	
<b>Net cash used in financing activities</b>		<b>(2.87)</b>		<b>(477.93)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>		<b>287,547.91</b>		<b>(929,743.07)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>70,291.64</b>		<b>1,000,034.71</b>
<b>Cash and cash equivalents at the close of the year</b>		<b>357,839.55</b>		<b>70,291.64</b>

**IV. Significant Accounting Policies And Notes  
Forming Part Of The Financial Statements**

Notes No. 1 & 2

**Notes :**

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006] of the Companies Act, 1956.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 28th May 2013

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Accounting Convention

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

#### B. Investments

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

#### C. Fixed Assets

##### Tangible Assets

- a) Fixed assets are stated at cost less accumulated depreciation. Cost includes all incidental expenditure net of MODVAT/CENVAT wherever applicable.
- b) The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the 'net selling price' of assets and their 'value in use'.

##### Intangible Assets

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

##### Depreciation

Depreciation on tangible assets is provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.

#### D. Inventories

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

#### E. Recognition of Income & Expenditure

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

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

#### F. Employee Benefits

##### (i) Long Term Employee Benefits

###### a) Defined Contribution Plans

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

###### b) Defined Benefit Plans

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

###### c) Other Long Term Employee Benefits

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

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

#### G. Foreign Exchange Transactions

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

#### H. Taxation

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



**Oswal Agro Mills Limited**

**NOTES (Contd...)**

**I. Provision**

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

**J. Contingent Liabilities**

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

**K. Earnings per share**

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

**L. Use of estimates**

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

**2. NOTES**

(₹ In thousand)

2.1 SHARE CAPITAL	As at 31.03.2013	As at 31.03.2012
<b>AUTHORIZED :</b>		
300,000,000 ( Previous Year 300,000,000 ) Equity Shares of ₹ 10/- each	3,000,000.00	3,000,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹ 100/- each	1,000,000.00	1,000,000.00
<b>Total</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>
<b>ISSUED , SUBSCRIBED AND FULLY PAID-UP :</b>		
134,234,776 ( Previous Year 134,234,776) Equity Shares of ₹ 10/- each fully paid up	1,342,347.76	1,342,347.76
<b>Total</b>	<b>1,342,347.76</b>	<b>1,342,347.76</b>

**(a) Statements of Change in Equity :**

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Balance	134,234,776	134,234,776
Issued during the year	-	-
Shares redeemed during the year	-	-
Closing Balance	134,234,776	134,234,776

**(b) Statements of holding :**

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>List of Shareholders – 5 % &amp; Above</b>				
- Abhey Kumar Oswal (Director)	53,530,960	39.88%	53,530,960	39.88%

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

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

NOTES (Contd...)

(₹ In thousand)

	As at 31.03.2013	As at 31.03.2012
<b>2.2 RESERVES AND SURPLUS</b>		
Securities Premium Reserve		
As per last Balance Sheet	4,464,882.64	4,464,882.64
Capital Reserve		
As per last Balance Sheet	1,500.00	1,500.00
General Reserve		
As per last Balance Sheet	318,976.09	318,976.09
Profit and Loss Account		
As per last Balance Sheet	(685,262.77)	(218,789.30)
Add: Profit/(Loss) for the year	(77,768.76) (763,031.53)	(466,473.47) (685,262.77)
<b>Total</b>	<b>4,022,327.20</b>	<b>4,100,095.96</b>
<b>2.3 DEFFERED TAX LAIBILITY (NET)</b>		
<b>Fixed Assets (DTL)</b>		
Opening Balance	8,872.59	9,051.50
For the year	202.85	(178.91)
Closing Balance	9,075.44	8,872.59
<b>Disallowance U/S 43 B and Gratuity (DTA)</b>		
Opening Balance	185.24	159.69
For the year	9.39	25.55
Closing Balance	194.63	185.24
<b>Losses Carried Forward (DTA)</b>		
Opening Balance	8,687.36	8,891.81
For the year	193.46	(204.45)
Closing Balance	8,880.82	8,687.36
<b>Total</b>	<b>-</b>	<b>-</b>
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Other Liability	10,097.25	10,097.25
<b>Total</b>	<b>10,097.25</b>	<b>10,097.25</b>
<b>2.5 LONG-TERM PROVISIONS</b>		
Employee benefits.	368.99	342.18
<b>Total</b>	<b>368.99</b>	<b>342.18</b>
<b>2.6 SHORT-TERM BORROWINGS</b>		
Advance from customer – unsecured	-	250,000.00
<b>Total</b>	<b>-</b>	<b>250,000.00</b>
<b>2.7 TRADE PAYABLES</b>		
Micro and Small Enterprises	-	-
Others	105,972.00	-
<b>Total</b>	<b>105,972.00</b>	<b>-</b>
Based on the information available with the Company, there are no dues as at March 31, 2013 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>2.8 OTHER CURRENT LIABILITIES</b>		
Duties & Taxes Payable	683.43	385.05
Other Liabilities*	2,603.70	988.67
<b>Total</b>	<b>3,287.13</b>	<b>1,373.72</b>
* includes ₹ Nil (Previous Year ₹ 22.22 thousand) payable to associates.		
<b>2.9 SHORT-TERM PROVISIONS</b>		
Employee benefits.	249.81	247.68
Wealth Tax	210.40	217.69
<b>Total</b>	<b>460.21</b>	<b>465.37</b>



Oswal Agro Mills Limited

NOTES (Contd...)

2.10 FIXED ASSETS

(₹ In thousand)

Particulars	Gross Block			As At 31.03.2013	Depreciation			Net Block		
	As At 1.04.2012	Additions During the Year	Sale/Adjust- ments During the Year		Upto 1.04.2012	For the year	Written Back/ Adjustments During the Year	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
<b>(I) Tangible Assets</b>										
Land										
–Leasehold	3,525.54	–	–	3,525.54	721.57	37.10	–	758.67	2,766.87	2,803.97
–Freehold	11,356.80	–	–	11,356.80	–	–	–	–	11,356.80	11,356.80
Buildings										
–Freehold	63,128.22	22,976.74	–	86,104.96	22,138.64	1,051.44	–	23,190.08	62,914.88	40,989.58
Plant & Machinery	1,124.43	–	–	1,124.43	463.78	53.41	–	517.19	607.24	660.65
Furniture & Fixture	4,234.73	–	–	4,234.73	4,234.73	–	–	4,234.73	–	–
Vehicles	3,551.47	–	–	3,551.47	2,392.07	129.03	–	2,521.10	1,030.37	1,159.40
<b>Total</b>	<b>86,921.19</b>	<b>22,976.74</b>	<b>–</b>	<b>109,897.93</b>	<b>29,950.79</b>	<b>1,270.98</b>	<b>–</b>	<b>31,221.77</b>	<b>78,676.16</b>	<b>56,970.40</b>
<b>(II) Intangible Assets</b>										
Software	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total (I+II)</b>	<b>86,921.19</b>	<b>22,976.74</b>	<b>–</b>	<b>109,897.93</b>	<b>29,950.79</b>	<b>1,270.98</b>	<b>–</b>	<b>31,221.77</b>	<b>78,676.16</b>	<b>56,970.40</b>
Previous Year	87,496.53	–	575.34	86,921.19	29,221.67	1,279.94	550.82	29,950.79	56,970.40	58,274.86
<b>(III) Capital Work In Progress*</b>										
										20,772.50

\* Building at Ludhiana has been capitalized on 31.03.2013.

(₹ In thousand)

2.11 NON-CURRENT INVESTMENT

As at 31.03.2013

As at 31.03.2012

(i) Investments in Equity Instruments

(a) Associated Company-(QUOTED, NON TRADE)

– Oswal Greentech Limited (formerly known as Oswal Chemicals & Fertilizers Limited)\*

91,384,203 Equity Shares fully paid up

(Previous year 91,384,203 Equity Shares)

2,375,808.28

2,375,808.28

(b) Wholly Owned Subsidiary - (UNQUOTED, NON TRADE)

– Oswal Overseas Limited 26,068 (Previous Year 26,068)

Equity Shares of AED 100/- each.

32,308.65

32,308.65

(c) Other Company-(UNQUOTED, NON TRADE)

– P C Media Systems Limited 12,036,500 (Previous Year 12,036,500)

Equity Shares of ₹ 10/- each.

290,419.31

290,419.31

– Superior Portfolio (P) Limited 4,000 (Previous Year 4,000)

Equity Shares of ₹ 1000/- each.

15,000.00

15,000.00

– Alpha Dealcom Private Limited 15,000,000 (Previous Year Nil)

Equity Shares of ₹ 10/- each.

150,000.00

–

(ii) Investment in Debentures\*\*

– Freedom Technobuild Private Limited 55,000 (Previous Year 55,000)

0% Optionally Convertible Debentures of ₹ 1,000/- each.

55,000.00

55,000.00

– Infotel Business Solutions Limited 10,000,000 (Previous Year 10,000,000)

0% Optionally Convertible Debentures of ₹ 10/- each.

100,000.00

100,000.00

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

(188,220.00)

(171,257.96)

**Total**

**2,830,316.24**

**2,697,278.28**

Aggregate Market Value of Quoted Investments\*

1,768,284.33

3,468,030.50

Aggregate Cost of Quoted Investments

2,375,808.28

2,375,808.28

Aggregate Cost of Un-quoted Investments

642,727.96

492,727.96

\* in view of the long term investment in an Associate company, M/s Oswal Greentech Limited, no provision for the temporary diminution as on 31.03.2013 has been made.

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

\*\*\* ₹ 171,257.96 thousand in respect of investment made in M/s P C Media Systems Ltd. These equity shares has been valued at ₹ 9.90 per share in accordance with net worth of the company. Provision has been made by difference amount of cost and book value of the shares and ₹ 16962.04 thousand in respect of investment in Oswal Overseas Limited (Wholly owned subsidiary), based upon the proportionate erosion of share capital.

**NOTES (Contd...)**

(₹ In thousand)

	As at 31.03.2013	As at 31.03.2012
<b>2.12 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Capital Advances	-	353.13
Security Deposits	1,601.09	16,601.09
Advance to suppliers	108,000.00	441,828.00
Loan to body corporate	658,500.00	1,440,000.00
Others Loans & Advances	-	336.12
Income Tax Advances (net)	73,796.54	52,017.19
<b>Total</b>	<b>841,897.63</b>	<b>1,951,135.53</b>
<b>2.13 CURRENT INVESTMENT</b>		
Mutual Funds	530,000.00	2,703.57
249,301.54 Units (Previous Year 1,391.29 Units) of LIC Mutual Fund Saving Plus Fund		
<b>Total</b>	<b>530,000.00</b>	<b>2,703.57</b>
<b>2.14 INVENTORIES</b>		
LAND*	183,495.20	183,495.20
(Cost or market value whichever is lower)		
STOCK IN TRADE (Equity Shares)	23,908.50	23,908.50
(Cost or market value whichever is lower)		
<b>Total</b>	<b>207,403.70</b>	<b>207,403.70</b>
<b>* Note :</b>		
1. Converted from fixed assets.		
2. The company entered into an agreement with Oswal Greentech Limited ("OGL") for the purpose of development of the commercial cum residential project at Chembur Land in Mumbai . In accordance with the agreement, the company has to contribute its land and OGL is required to incur all the development expenses of the project with the understanding to share the ownership of the Chembur project in an agreed ratio. The Construction/ development of this project were stayed by the Mumbai High Court vide order dated 12th April, 2012. Now the case is sub-judice before Supreme Court, Order awaited.		
<b>2.15 TRADE RECEIVABLES</b>		
Outstanding exceeding six months	-	-
Others	244,135.00	-
<b>Total</b>	<b>244,135.00</b>	<b>-</b>
<b>2.16 CASH AND BANK BALANCES</b>		
<b>A Cash and cash equivalents</b>		
Balances with banks		
-in Current Account	1,599.79	13,859.55
Cash in hand	2.26	2.26
Cheques in hand	356,237.50	56,429.83
<b>Total (A)</b>	<b>357,839.55</b>	<b>70,291.64</b>
<b>B Other bank balances</b>		
-in Fixed Deposits ( For Margin Money ) - maturity within 12 months*	32,397.40	25,830.92
<b>Total (B)</b>	<b>32,397.40</b>	<b>25,830.92</b>
<b>Total (A+B)</b>	<b>390,236.95</b>	<b>96,122.56</b>
* Fixed Deposits are pledged as security with/against Govt. Department/loans/Bank Deposits		
<b>2.17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Loans to body corporate	310,000.00	650,000.00
Security Deposits	15,000.00	-
Other advances*	1,118.21	26.61
<b>Total</b>	<b>326,118.21</b>	<b>650,026.61</b>

\* includes ₹ 198.22 thousand (Previous Year ₹ Nil ) receivable from associates.



Oswal Agro Mills Limited

NOTES (Contd...)

(₹ In thousand)

2.18 OTHER CURRENT ASSETS	As at 31.03.2013	As at 31.03.2012
Interest Income Accrued	36,076.65	22,309.09
<b>Total</b>	<b>36,076.65</b>	<b>22,309.09</b>
2.19 REVENUE FROM OPERATIONS	For the year ended 31.03.2013	For the year ended 31.03.2012
Sale of Land	244,135.00	-
<b>Other Operating Revenue</b>		
Interest Received on ICD	215,011.48	94,867.70
<b>Total</b>	<b>459,146.48</b>	<b>94,867.70</b>
2.20 OTHER INCOME		
Profit/(Loss) on Trading of Shares/Mutual Fund	11,467.84	34,381.24
Interest Income	2,791.70	3,530.93
Rental Income	120.00	120.00
Sales Tax Refund	-	4,576.93
Misc. Income	9.00	6.00
<b>Total</b>	<b>14,388.54</b>	<b>42,615.10</b>
2.21 PURCHASE OF STOCK IN TRADE		
Purchase of Land	244,000.00	-
<b>Total</b>	<b>244,000.00</b>	-
2.22 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing stock of Stock in trade	23,908.50	458,850.00*
Closing stock of Land	183,495.20	183,495.20
Less: Opening stock of Stock in trade	(23,908.50)	(458,850.00)
Less: Opening stock of Land	(183,495.20)	(183,495.20)
<b>Total</b>	<b>-</b>	<b>-</b>

\* Company has held 24,15,000 equity shares of P C Media Systems Ltd at cost of ₹ 190 per share. These shares had been valued at realized value of ₹ 9.90 per share in accordance with Net worth of the company, remaining amount had been written-off and charged to statement of profit & loss under "Exceptional Items" in previous year.

**2.23 EMPLOYEE BENEFITS EXPENSE**

Salaries and wages	1,993.52	2,181.20
Contribution to provident and other funds	126.41	115.07
Staff welfare expenses	1,164.30	782.34
<b>Total</b>	<b>3,284.23</b>	<b>3,078.61</b>

**Employee Benefits**

The Company has classified various employee benefits as under:

**a) Defined Contribution Plans**

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

Employees Provident Fund including family pension fund ₹ 108.31 thousand (Previous Year ₹ 96.13 thousand)

**b) Defined Benefit Plans**

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

Particulars	Earned Leave (Unfunded) 31.03.2013	Earned Leave (Unfunded) 31.03.2012	Gratuity (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2012
Discounting Rate	8.00%	8.50%	8.00%	8.50%
Future salary Increase	5.50%	6.00%	5.50%	6.00%
Expected Rate of return on plan assets	NA	NA	NA	NA
Expected Average remaining working lives of employees in number of years	(0.79)	0.21	(0.79)	0.21

NOTES (Contd...)

(₹ In thousand)

Particulars	Earned Leave (Unfunded) 31.03.2013	Earned Leave (Unfunded) 31.03.2012	Gratuity (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2012
<b>(ii) The amounts recognized in the balance sheet are as follows :</b>				
Present value of obligation	18.94	20.14	599.86	569.72
Fair value of plan assets	-	-	-	-
Net asset / (liability) recognized in balance sheet	(18.94)	(20.14)	(599.86)	(569.72)
<b>(iii) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
Present value of obligation as at the beginning of the year	20.14	17.89	569.72	462.84
Interest cost	1.61	1.52	45.58	39.34
Current service cost	0.72	0.80	22.40	22.13
Benefits Paid	(19.29)	(16.65)	-	-
Actuarial (gain)/loss on obligation	15.75	16.59	(37.83)	45.40
Present value of obligation as at the end of year	18.94	20.14	599.86	569.72
- Expected to due in 12 months (Short-term provision)	15.23	11.54	234.58	236.14
- Expected to due after 12 months (Long-term provision)	3.71	8.61	365.28	333.58
<b>(iv) The amount recognized in the Statement of Profit &amp; Loss is as follows :</b>				
Current service cost	0.72	0.80	22.40	22.13
Interest cost	1.61	1.52	45.58	39.34
Net actuarial (gain)/ loss recognized in the year	15.75	16.59	(37.83)	45.40
Amount apportioned from a group company	14.01	67.93	13.60	71.14
Expenses recognized in the statement of profit & loss	32.09	86.84	43.74	178.02

(₹ In thousand)

**2.24 FINANCE COST**

	For the year ended 31.03.2013	For the year ended 31.03.2012
Interest others	2.87	477.93
<b>Total</b>	<b>2.87</b>	<b>477.93</b>

**2.25 OTHER EXPENSES**

Rent	5,877.61	23,744.54
Rates And Taxes	289.96	291.79
Listing Fees	1,012.29	4,818.23
Printing & Stationery	1,482.23	1,342.96
Postage & Telegram	1,805.22	1,810.09
Consultation & Professional Fee	18,630.68	9,397.40
Repairs & Maintenance :		
Building	196.76	130.09
Others	66.13	276.23
Payment to Auditor (refer note 2.30)	1,244.14	878.17
Other expenses	3,978.64	2,978.89
<b>Total</b>	<b>34,583.66</b>	<b>45,668.39</b>



NOTES (Contd...)

(₹ In thousand)

2.26 EXCEPTIONAL ITEMS	For the year ended 31.03.2013	For the year ended 31.03.2012
Diminution in the value of Inventories	-	434,941.50
Provision for diminution in investment *	16,962.04	171,257.96
Balances written back (Net)	-	(76,030.45)
Fixed Assets written off	-	24.52
Excise Duty paid	-	18,533.32
Loss on real estate activities**	250,000.00	-
Compensation against legal case	1,200.00	-
<b>Total</b>	<b>268,162.04</b>	<b>548,726.85</b>

\* provision has been made during the year of ₹ 16962.04 thousand in respect of investment in Oswal Overseas Limited (Wholly owned subsidiary), based upon the proportionate erosion of share capital. In previous year provision has been made by difference amount of cost and book value of the shares of ₹ 171,257.96 thousand in respect of investment made in M/s P C Media Systems Ltd. These equity shares have been valued at ₹ 9.90 per share in accordance with net worth of the company.

\*\* The Company has terminated an agreement for sale of area, being developed under joint agreement with Oswal Greentech Limited, in view of the judgment of the Hon'ble High Court of Bombay for staying the development work. Due to the termination it has suffered a loss of ₹ 2500 Lacs.

2.27 PRIOR PERIOD ADJUSTMENT (NET)		
<b>Expenses</b>		
Other General Expenses	-	929.11
<b>Total (Net)</b>	<b>-</b>	<b>929.11</b>

2.28 TAX EXPENSES		
<b>Current Tax</b>		
Income Tax	-	-
<b>Tax for earlier years</b>		
Income Tax	-	2,595.44
<b>Total</b>	<b>-</b>	<b>2,595.44</b>

2.29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :	As at 31.03.2013	As at 31.03.2012
a) Claims against the company not acknowledged as debts	38,404.53	30,359.52
b) Other money for which the company is contingently liable	1,422.73	41,966.73

2.30 PAYMENT TO AUDITOR (REFER NOTE – 2.25)

Particulars	Current Year*	Previous Year*
Auditor	1,057.06	716.95
Taxation matters	168.54	-
Certification work	18.54	104.79
Reimbursement of out-of-pocket expenses	-	56.43
<b>Total</b>	<b>1,244.14</b>	<b>878.17</b>

\* including of service tax

## NOTES (Contd...)

### 2.31 EARNING PER EQUITY SHARE

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

Particulars	Current Year	Previous Year
Profit/(Loss) before extraordinary item attributable to equity shareholders (A) ( ₹ in thousand )	(77,768.76)	(465,273.47)
Profit/(Loss) after extraordinary item attributable to equity shareholders (B) ( ₹ in thousand )	(77,768.76)	(466,473.47)
Basic/Diluted Weighted Average of equity shares outstanding during the year (C)	134,234,776	134,234,776
Nominal Value of equity shares (₹)	10	10
Basic/Diluted earnings per share excluding extraordinary item (₹) (A)/(C)	(0.58)	(3.47)
Basic/Diluted earnings per share including extraordinary item (₹) (B)/(C)	(0.58)	(3.48)

### 2.32 RELATED PARTY DISCLOSURES

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

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

- Oswal Greentech Limited
- Lucky Star Entertainment Limited
- Aruna Abhey Oswal Trust
- Sohanaa International Private Limited

(b) Key Management Personnel and their relatives:-

- Mr. Abhey Kumar Oswal
- Mr. Anil Bhalla
- Mr. Shael Oswal

(c) Enterprises controlled by the Company

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

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

Particulars	Nature of transactions	(₹ In thousand)	
		Current Year	Previous Year
<b>1. Enterprises over which major shareholders and key Management Personnel have significant influence</b>			
Oswal Greentech Limited (Associate)	<b>Transactions during the year :</b> Rent Received Reimbursement of Payments made by Enterprise (Oswal Greentech Ltd.) on behalf of the company Their share of common expenses transferred from the enterprise Advance received Advance repaid Advance given Advance received back <b>Balances outstanding at year end:</b> - Receivable (common expenses) - Payable(common expenses) - Investment	120.00  53.65 3,340.52 458,500.00 458,500.00 40,000.00 40,000.00  198.22 - 2,375,808.28	120.00  138.00 3,778.05 976,420.00 976,420.00 - -  - 22.22 2,375,808.28
Sohanaa International (Pvt.) Ltd.	<b>Transactions during the year :</b> Investment Sold		5,000.00
<b>2. Enterprises under the control of the Company</b>			
Oswal Overseas Ltd. Dubai (Subsidiary)	<b>Transactions during the year :</b> Provision for diminution in value of investment <b>Balances outstanding at year end:</b> - Investment	16,962.04  32,308.65	-  32,308.65



**Oswal Agro Mills Limited**  
**NOTES (Contd...)**

**2.33 SEGMENT**

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

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

(₹In thousand)			
S No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Segment Revenue</b>		
	Investment Activities	226,479.32	129,248.94
	Trading	-	-
	Real Estate	244,135.00	-
	Unallocated	2,920.70	8,233.86
	<b>Total Segment Revenue</b>	<b>473,535.02</b>	<b>137,482.80</b>
<b>2</b>	<b>Segment Result</b>		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	206,401.50	126,014.62
	Trading	-	-
	Real Estate	(273,380.26)	(458,456.43)
	Unallocated	(10,787.13)	(129,758.29)
	Less : Interest & Finance Charges	2.87	477.93
	<b>Profit before Taxation</b>	<b>(77,768.76)</b>	<b>(462,678.03)</b>
	Less : Provision for Current Tax	-	-
	Less : Fringe benefit Tax for Earlier Year	-	2,595.44
	<b>Profit from Ordinary Activities after Tax</b>	<b>(77,768.76)</b>	<b>(465,273.47)</b>
	Extra Ordinary Item (Net of Tax)	-	-
	Foreign Exchange Fluctuation Loss	-	1,200.00
	<b>Net Profit / (Loss) before share of Profit from Associate</b>	<b>(77,768.76)</b>	<b>(466,473.47)</b>
<b>3</b>	<b>Segment Assets</b>		
	Investment Activities	4,721,767.77	4,878,667.28
	Trading	23,908.50	23,908.50
	Real Estate	536,099.28	643,267.77
	Unallocated	203,084.99	158,878.69
	<b>Total Assets</b>	<b>5,484,860.54</b>	<b>5,704,722.24</b>
<b>4</b>	<b>Segment Liabilities</b>		
	Investment Activities	661.95	-
	Trading	-	-
	Real Estate	106,137.49	250,000.00
	Unallocated	13,386.14	12,278.52
	<b>Total Liabilities</b>	<b>120,185.58</b>	<b>262,278.52</b>
<b>5</b>	<b>Other Information</b>		
	Capital expenditure (Unallocable)	2,204.24	9,083.23
	Depreciation and amortisation (Unallocable)	1,270.98	1,279.94

**NOTES (Contd...)**

**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*	Amount * (₹ in thousand)
<b>Investment</b>	AED	2,606,800.00	32,308.65
– Equity Shares		(2,606,800.00)	(32,308.65)

\* Previous year figures are given in bracket

**2.35 OTHER NOTES :**

- (i) Employee benefits expenses (Notes – 2.23 )and Other expenses (Notes – 2.25 ) includes ₹ 3340.52 thousand (Previous Year ₹ 3778.05 thousand) being apportioned expenses incurred by a group company on behalf of this company.
- (ii) In the opinion of the management, all current assets and loan & advances as on 31st March, 2013 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (iii) Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 28th May 2013



Oswal Agro Mills Limited

## OSWAL OVERSEAS LIMITED

### DIRECTOR'S REPORT

The Directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2013.

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

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

#### 2. DIRECTORS

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

Mr. Abhey Kumar Oswal

Mr. Anil Kumar Bhalla

#### 3. AUDITORS' REPORT

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

#### 4. DISCLOSURE PARTICULARS

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

#### 5. PARTICULARS OF EMPLOYEES

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

#### 6. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm:

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- ii. That the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and the preoperative expenses of the Company for the year ended on that date;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv. That the annual accounts have been prepared on a going concern basis.

#### 7. AUDITORS

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

Place : New Delhi  
Date : 23<sup>rd</sup> May, 2013

For and on behalf of the Board  
Anil Kumar Bhalla  
Director

### Independent Auditors' Report to the Shareholder of

#### OSWAL OVERSEAS LIMITED

##### Report on the Financial Statements

We have audited the accompanying financial statements of **OSWAL OVERSEAS LIMITED**, which comprises of the statement of financial position as of 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and explanatory notes.

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

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

##### Auditors' responsibility

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

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

##### Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of **OSWAL OVERSEAS LIMITED** as of 31 March, 2013 and its income statement for the year then ended in conformity with accounting principles applied.

**KSI Shah & Associates**  
Chartered Accountants  
Dubai  
16 May 2013

**OSWAL OVERSEAS LIMITED**  
**Statement of Financial Position At 31<sup>st</sup> March 2013**

(₹ in thousand)

	Notes	2013	2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loans and advances	3	-	10145.31
<b>Current assets</b>			
Other receivables		15902.77	14878.66
Cash and cash equivalents	4	2540.31	2749.62
<b>TOTAL ASSETS</b>		<b>18443.08</b>	<b>27773.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	38574.30	36117.70
Accumulated losses		(20220.86)	(8473.93)
<b>Equity funds</b>		<b>18353.44</b>	<b>27643.77</b>
<b>Current liability</b>			
Accruals		89.64	129.82
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18443.08</b>	<b>27773.59</b>

The accompanying notes 1 to 7 form an integral part of these financial statements.

The Independent Auditors' Report is approved by the director on 16<sup>th</sup> May 2013.

For Oswal Overseas Ltd.

Director

**Statement of Comprehensive Income for the year ended 31<sup>st</sup> March 2013**

(₹ in thousand)

	Notes	2013	2012
Other income		-	101.27
Interest income	3	-	97.57
Loan written off during the year	3	(10849.79)	-
Administrative expenses		(335.66)	(217.07)
<b>Net loss for the year</b>		<b>(11185.45)</b>	<b>(18.23)</b>

The accompanying notes 1 to 7 form an integral part of these financial statements.

For Oswal Overseas Ltd.

Director

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2013**

**1. Legal status and business activity**

a) **OSWAL OVERSEAS LIMITED** is an offshore company with limited liability registered under the provision of Offshore Companies regulations of Jebel Ali Free Zone of 2003 under registration No OF 2384.

b) The company was incorporated on 24 July 2006 and is established to carry out business of general trading and investment activities. The company has not generated any revenue 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) Loans and advances:**

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

**b) Payables and accruals:**

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

**c) Staff end of service gratuity:**

Staff end of service gratuity is accounted on cash basis.

**d) Commission income:**

Indenting commission income is accounted on accrual basis.

**e) Foreign currency transactions:**

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

Assets and liabilities expressed in foreign currencies are translated into US Dollar at the rate of exchange ruling at the balance sheet date. Resulting exchange gains/losses are taken to the income statement.

(₹ in thousand)

**2013      2012**

**3. Loans and advances**

Loan to Oswal Refinery<sup>a</sup> - 10145.31  
This amount represented loan given to Oswal Refinery Limited, Russia. This loan carried interest at 1% per annum. Company had made efforts to recover the loan but they did not receive their money therefore as per management such amount is now non recoverable and written off during the year.

**4. Cash and cash equivalents**

Bank balance in current and call deposit accounts 2540.31      2749.62

**5. Share capital**

Subscribed, Issued and Paid up  
Shares 26,068 @ AED 100/-\*  
(US \$ 1 @ AED 3.6715) 38574.30      36117.70

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

**6. Contingent liability**

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

**7. Comparative figures**

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



Oswal Agro Mills Limited

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Oswal Agro Mills Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Oswal Agro Mills Limited** (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprises the Consolidated balance sheet as at 31<sup>st</sup> March 2013, the Consolidated statement of profit and loss of the Company for the year then ended, the Consolidated cash flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31<sup>st</sup>, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Other Matters

1. We did not audit the financial statements of the subsidiary company, namely Oswal Overseas Limited, whose financial statements reflect total assets (net) of ₹ 18,443.08 thousands as at March 31, 2013, total revenues (net) of ₹ Nil and net cash flows amounting to ₹ 396.34 thousands for the year ended on that date and financial statements of an associate in which the share of profit of the company is ₹ 7,810.69 thousands. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.
2. The accounts of Oswal Brazil Refinara De Petroleo S.A, Brazil, a step down subsidiary of the company has not been consolidated as the said company is in the process of winding up. (Refer note 2.34 to Significant Accounting Policies and Notes forming part of the financial statements).

Our opinion is not qualified in respect of other matters.

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

Date : 28<sup>th</sup> May, 2013  
Place : New Delhi

**Surender Kumar**  
Partner  
Membership Number: 82982

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013**

(₹ in thousand)

Particulars	Note No.	As At 31.03.2013	As At 31.03.2012
<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	4,504,099.27	4,566,385.63
		<u>5,846,447.03</u>	<u>5,908,733.39</u>
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net)	2.3	–	–
(b) Other Long term liabilities	2.4	10,097.25	10,143.14
(c) Long-term provisions	2.5	368.99	342.18
		<u>10,466.24</u>	<u>10,485.32</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	2.6	–	250,000.00
(b) Trade payables	2.7	105,972.00	–
(c) Other current liabilities	2.8	3,376.76	1,457.66
(d) Short-term provisions	2.9	460.21	465.37
		<u>109,808.97</u>	<u>251,923.03</u>
<b>Total</b>		<u>5,966,722.24</u>	<u>6,171,141.74</u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.10		
(i) Tangible Assets		78,676.16	56,970.40
(ii) Intangible Assets		–	–
(iii) Capital work-in-progress		–	20,772.50
(b) Non-current investments	2.11	3,293,734.86	3,135,924.17
(c) Long-term loans and advances	2.12	841,897.63	1,951,135.53
		<u>4,214,308.65</u>	<u>5,164,802.60</u>
<b>(2) Current assets</b>			
(a) Current Investment	2.13	530,000.00	2,703.57
(b) Inventories	2.14	207,403.70	207,403.70
(c) Trade Receivables	2.15	244,135.00	–
(d) Cash and bank balances	2.16	392,777.26	98,872.19
(e) Short-term loans and advances	2.17	342,020.98	675,050.59
(f) Other current assets	2.18	36,076.65	22,309.09
		<u>1,752,413.59</u>	<u>1,006,339.14</u>
<b>Total</b>		<u>5,966,722.24</u>	<u>6,171,141.74</u>
<b>III. Significant Accounting Policies and notes Forming Part of the Financial Statements</b>			
	1 & 2		

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

Surender Kumar  
Partner  
Membership No. 82982  
Place : New Delhi  
Date : 28th May 2013

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

FOR AND ON BEHALF OF BOARD

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533



Oswal Agro Mills Limited

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ in thousand)

Particulars	Note No.	For The Year Ended 31.03.2013	For The Year Ended 31.03.2012
I. Revenue from operations	2.19	459,146.48	94,867.70
II. Other income	2.20	14,388.54	42,813.95
<b>III. Total Revenue (I + II)</b>		<b>473,535.02</b>	<b>137,681.65</b>
<b>IV. Expenses:</b>			
Purchase of stock-in-trade	2.21	244,000.00	–
Changes in inventories of Stock-in-Trade	2.22	–	–
Employee benefits expense	2.23	3,284.23	3,078.61
Finance costs	2.24	2.87	477.93
Depreciation and amortization expense	2.10	1,270.98	1,279.94
Other expenses	2.25	34,919.31	45,885.46
<b>Total expenses</b>		<b>283,477.39</b>	<b>50,721.94</b>
<b>V. Profit before exceptional and extraordinary items and tax (III – IV)</b>		<b>190,057.63</b>	<b>86,959.71</b>
<b>VI Exceptional Items</b>	2.26	<b>262,049.79</b>	<b>548,726.85</b>
<b>VII Prior Period Adjustments</b>	2.27	–	<b>929.11</b>
<b>VIII Profit before tax (V– VI–VII)</b>		<b>(71,992.16)</b>	<b>(462,696.25)</b>
<b>IX Tax expense:</b>	2.28		
– Current tax		–	–
– Tax for earlier years		–	2,595.44
<b>X Profit / (Loss) for the period after Tax before extra-ordinary items(VIII–IX)</b>		<b>(71,992.16)</b>	<b>(465,291.69)</b>
<b>XI Share of profit in associate</b>		<b>7,810.69</b>	<b>281,465.75</b>
<b>XII Profit / (Loss) for the period after Tax and share in Associate's profit but before extra-ordinary items (X+XI)</b>		<b>(64,181.47)</b>	<b>(183,825.94)</b>
<b>XIII Extra-ordinary items – Foreign Exchange Fluctuation</b> (net of tax ₹ Nil thousand)		–	<b>1,200.00</b>
<b>XIV Profit / (Loss) for the period after Tax after extra-ordinary items(XII–XIII)</b>		<b>(64,181.47)</b>	<b>(185,025.94)</b>
Earning per Share (Nominal Value of ₹ 10 each)	2.31		
Basic/ Diluted on profit before extraordinary item		(0.48)	(1.37)
Basic/ Diluted on profit after extraordinary item		(0.48)	(1.38)
<b>XV. Significant Accounting Policies And Notes Forming Part Of The Financial Statements</b>	1 & 2		

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 28th May 2013



Oswal Agro Mills Limited

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ in thousand)

	Year Ended March 31,2013	Year Ended March 31,2012
<b>I. Cash Flows From Operating Activities :</b>		
Net Profit before tax and extra-ordinary items	(71,992.16)	(462,696.25)
<b>Adjustments for:</b>		
Depreciation	1,270.98	1,279.94
Finance Expense	2.87	477.93
Interest Income	(217,803.18)	(98,398.64)
Balances written back	-	(76,030.45)
Assets written off	-	24.52
Advances written off	10,849.79	-
Diminution in value of Inventories	-	434,941.50
Provision for diminution in investment	-	171,257.96
Provision for Gratuity & Leave Encashment	28.94	109.13
Prior Period Expenses/(Income) (Net)	-	929.11
Wealth Tax Provision	210.40	217.69
	<u>(205,440.20)</u>	<u>434,808.69</u>
<b>Operating profit before working capital changes</b>	<b>(277,432.36)</b>	<b>(27,887.56)</b>
Adjustments for changes in working capital :		
- Increase/(Decrease) in Trade Payable, other current liabilities & provisions	(142,154.79)	(31,437.81)
- (Increase)/Decrease in Trade Receivable, Loans & advances & other receivables	1,209,062.05	(943,128.34)
- (Increase)/Decrease in Inventories	-	-
	<u>1,066,907.26</u>	<u>(974,566.15)</u>
Cash generated from operations	<b>789,474.90</b>	<b>(1,002,453.71)</b>
- Prior Period (Expenses)/Income (Net)	-	(929.11)
- Wealth Tax Paid	(217.69)	(225.08)
- Taxes (Payment) / Refund	(21,779.34)	(34,868.33)
	<u>(21,997.03)</u>	<u>(36,022.52)</u>
<b>Net cash from operating activities before extra-ordinary items</b>	<b>767,477.87</b>	<b>(1,038,476.23)</b>
Extra-ordinary Items	-	1,200.00
<b>Net cash from operating activities after extra-ordinary items</b>	<b>767,477.87</b>	<b>(1,039,676.23)</b>
<b>II. Cash Flow From Investing Activities :</b>		
Purchase of fixed assets	(2,204.24)	(9,083.23)
(Purchase)/Sale of Long-term investments (Net)	(150,000.00)	5,434.35
(Purchase)/Sale of Current investments (Net)	(527,296.43)	(2,703.57)
(Purchase)/Sale of Fixed Deposits	(6,566.48)	17,036.09
Interest Received (Revenue)	204,035.63	98,398.64
	<u>(482,031.52)</u>	<u>109,082.28</u>
<b>Net cash used in/from investing activities</b>		
<b>III. Cash Flows From Financing Activities :</b>		
Proceeds/(repayment) of Unsecured loans	-	-
Foreign currency translation fund	1,895.11	3,817.77
Finance Expense Paid	(2.87)	(477.93)
	<u>1,892.24</u>	<u>3,339.84</u>
<b>Net cash used in financing activities</b>		
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>287,338.59</b>	<b>(927,254.11)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>73,041.27</b>	<b>1,000,295.38</b>
<b>Cash and cash equivalents at the close of the year</b>	<b>360,379.86</b>	<b>73,041.27</b>

**IV. Significant Accounting Policies And Notes Forming Part Of The Financial Statements**

Notes No. 1 &amp; 2

**Notes :**

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 ] of the Companies Act, 1956.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982  
Place : New Delhi  
Date : 28th May 2013

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533



Oswal Agro Mills Limited

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Group Companies

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

#### B. Basis of preparation of Accounts

The consolidated financial statements of the group are prepared under historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 1956.

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

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

#### C. Accounting Convention

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

#### D. Investments

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

#### E. Fixed Assets

##### Tangible Assets

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

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

##### Intangible Assets

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

##### Depreciation

Depreciation on tangible assets is provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.

#### F. Inventories

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

#### G. Recognition of Income & Expenditure

Brokerage, Service Tax, Education Cess and Securities Transaction Tax to the extent not available as rebate under Income Tax Act, 1961 on purchase/sale of shares and other securities are charged directly to Profit & Loss Account.

Provision for loss in respect of Open Equity Derivative Instruments as at the Balance Sheet date is made Index-wise/Scrip-wise. As a matter of prudence, any anticipated profit is ignored

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

#### H. Employee Benefits

##### (i) Long Term Employee Benefits

###### a) Defined Contribution Plans

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

###### b) Defined Benefit Plans

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

###### c) Other Long Term Employee Benefits

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

(ii) Actuarial gains and losses comprise experience adjustments and the effects of the changes in actuarial assumptions are recognized immediately in the Profit & Loss Account as income or expense

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

#### I. Preoperative Expenses

All expenses related to various projects by the company are treated as preoperative expenses till the commencement of commercial production and are included in Capital Work in Progress.

#### J. Translation of Non Integral Foreign Operations

Assets and Liabilities (monetary & non monetary) are translated at the closing rate at the year end. Income and expenses are

## NOTES (Contd...)

translated at the quarterly average closing rate at the end respective quarter. All resulting exchange difference are accumulated in a separate account "Foreign Current Translation Reserve" till the disposal of net investment.

### K. Foreign Exchange Transactions

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

### L. The Taxation

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

### M. Provision

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

### N. Contingent Liabilities

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

### O. Earnings per share

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

### P. Use of estimates

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

## 2. NOTES

(₹ In thousand)

2.1	SHARE CAPITAL	As at 31.03.2013	As at 31.03.2012		
	<b>Authorized :</b>				
	300,000,000( Previous Year 300,000,000 ) Equity Shares of ₹ 10/- each	3,000,000.00	3,000,000.00		
	10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹ 100/- each	1,000,000.00	1,000,000.00		
	<b>Total</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>		
	<b>Issued , Subscribed and fully paid-up :</b>				
	134,234,776 ( Previous Year 134,234,776) Equity Shares of ₹ 10/- each fully paid up	1,342,347.76	1,342,347.76		
	<b>Total</b>	<b>1,342,347.76</b>	<b>1,342,347.76</b>		
(a)	<b>Statements of Change in Equity :</b>				
	<b>Particulars</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>		
	Opening Balance	134,234,776	134,234,776		
	Issued during the year	-	-		
	Shares redeemed during the year	-	-		
	Closing Balance	134,234,776	134,234,776		
(b)	<b>Statements of holding :</b>				
	<b>Particulars</b>	<b>As at 31.03.2013</b>		<b>As at 31.03.2012</b>	
		<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>
	<b>List of Shareholders – 5 % &amp; Above</b>				
	- Abhey Kumar Oswal (Director)	53,530,960	39.88%	53,530,960	39.88%
(c)	<b>Rights, preference and restrictions attached to shares :</b>				
	<b>Equity Shares :</b> The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				



**Oswal Agro Mills Limited**  
**NOTES (Contd...)**

(₹ In thousand)

<b>2.2 RESERVES AND SURPLUS</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
Securities Premium Reserve		
As per last Balance Sheet	4,464,882.64	4,464,882.64
Capital Reserve		
As per last Balance Sheet	1,500.00	1,500.00
General Reserve		
As per last Balance Sheet	318,976.09	318,976.09
Foreign Currency Translation Fund		
As per last Balance Sheet	6,173.99	6,173.99
Add : For the year	1,895.11	8,069.10
Profit and Loss Account		
As per last Balance Sheet	(225,147.09)	(40,121.15)
Add: Profit/(Loss) for the year	(64,181.47)	(225,147.09)
<b>Total</b>	<b><u>4,504,099.27</u></b>	<b><u>4,566,385.63</u></b>
<b>2.3 DEFFERED TAX LAIBILITY (NET)</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>Fixed Assets (DTL)</b>		
Opening Balance	8,872.59	9,051.50
For the year	202.85	(178.91)
Closing Balance	9,075.44	8,872.59
<b>Disallowance U/S 43 B and Gratuity (DTA)</b>		
Opening Balance	185.24	159.69
For the year	9.39	25.55
Closing Balance	194.63	185.24
<b>Losses Carried Forward (DTA)</b>		
Opening Balance	8,687.36	8,891.81
For the year	193.46	(204.45)
Closing Balance	8,880.82	8,687.36
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Other Liability	10,097.25	10,143.14
<b>Total</b>	<b><u>10,097.25</u></b>	<b><u>10,143.14</u></b>
<b>2.5 TERM PROVISIONS</b>		
Employee benefits.	368.99	342.18
<b>Total</b>	<b><u>368.99</u></b>	<b><u>342.18</u></b>
<b>2.6 SHORT-TERM BORROWINGS</b>		
Advance from customer – unsecured	-	250,000.00
<b>Total</b>	<b><u>-</u></b>	<b><u>250,000.00</u></b>
<b>2.7 TRADE PAYABLES</b>		
Micro and Small Enterprises	-	-
Others	105,972.00	-
<b>Total</b>	<b><u>105,972.00</u></b>	<b><u>-</u></b>
Based on the information available with the Company, there are no dues as at March 31, 2013 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>2.8 OTHER CURRENT LIABILITIES</b>		
Duties & Taxes Payable	683.43	385.05
Other Liabilities*	2,693.33	1,072.61
<b>Total</b>	<b><u>3,376.76</u></b>	<b><u>1,457.66</u></b>
* includes ₹ Nil (Previous Year ₹ 22.22 thousand) payable to associates.		
<b>2.9 SHORT-TERM PROVISIONS</b>		
Employee benefits.	249.81	247.68
Wealth Tax	210.40	217.69
<b>Total</b>	<b><u>460.21</u></b>	<b><u>465.37</u></b>

## NOTES (Contd...)

### 2.10 FIXED ASSETS

(₹ In thousand)

Particulars	Gross Block				Depreciation				Net Block	
	As At 1.04.2012	Additions During the Year	Sale/Adjust- ments During the Year	As At 31.03.2013	Upto 1.04.2012	For the year	Written Back/ Adjustments During the Year	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
<b>(I) Tangible Assets</b>										
Land										
–Leasehold	3,525.54	–	–	3,525.54	721.57	37.10	–	758.67	2,766.87	2,803.97
–Freehold	11,356.80	–	–	11,356.80	–	–	–	–	11,356.80	11,356.80
Buildings										
–Freehold	63,128.22	22,976.74	–	86,104.96	22,138.64	1,051.44	–	23,190.08	62,914.88	40,989.58
Plant & Machinery	1,124.43	–	–	1,124.43	463.78	53.41	–	517.19	607.24	660.65
Furniture & Fixture	4,234.73	–	–	4,234.73	4,234.73	–	–	4,234.73	–	–
Vehicles	3,551.47	–	–	3,551.47	2,392.07	129.03	–	2,521.10	1,030.37	1,159.40
<b>Total</b>	<b>86,921.19</b>	<b>22,976.74</b>	<b>–</b>	<b>109,897.93</b>	<b>29,950.79</b>	<b>1,270.98</b>	<b>–</b>	<b>31,221.77</b>	<b>78,676.16</b>	<b>56,970.40</b>
<b>(II) Intangible Assets</b>										
Software	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total (I+II)</b>	<b>86,921.19</b>	<b>22,976.74</b>	<b>–</b>	<b>109,897.93</b>	<b>29,950.79</b>	<b>1,270.98</b>	<b>–</b>	<b>31,221.77</b>	<b>78,676.16</b>	<b>56,970.40</b>
<b>Previous Year</b>	<b>87,496.53</b>	<b>–</b>	<b>575.34</b>	<b>86,921.19</b>	<b>29,221.67</b>	<b>1,279.94</b>	<b>550.82</b>	<b>29,950.79</b>	<b>56,970.40</b>	<b>58,274.86</b>
<b>(III) Capital Work In Progress*</b>										
										20,772.50

\* Building at Ludhiana has been capitalized on 31.03.2013.

(₹In thousand)

### 2.11 NON-CURRENT INVESTMENT

As at 31.03.2013

As at 31.03.2012

#### (i) Investments in Equity Instruments

##### (a) Associated Company–(QUOTED, NON TRADE)

– Oswal Greentech Limited (formerly known as Oswal Chemicals & Fertilizers Limited)*91,384,203 Equity Shares fully paid up (Previous year 91,384,203 Equity Shares ) (Including share of profit ₹ 478,765.23 thousand , Previous Year ₹ 470,954.54 thousand)	2,854,573.51	2,846,762.82
--	--------------	--------------

##### (b) Other Company–(UNQUOTED, NON TRADE)

– P C Media Systems Limited 12,036,500 (Previous Year 12,036,500) Equity Shares of ₹ 10/- each.	290,419.31	290,419.31
– Superior Portfolio (P) Limited 4,000 (Previous Year 4,000) Equity Shares of ₹ 1000/- each.	15,000.00	15,000.00
– Alpha Dealcom Private Limited 15,000,000 (Previous Year Nil) Equity Shares of ₹ 10/- each.	150,000.00	–

#### (ii) Investment in Debentures\*\*

– Freedom Technobuild Private Limited 55,000 (Previous Year 55,000) 0% Optionally Convertible Debentures of ₹ 1,000/- each.	55,000.00	55,000.00
– Infotel Business Solutions Limited 10,000,000 (Previous Year 10,000,000) 0% Optionally Convertible Debentures of ₹ 10/- each.	100,000.00	100,000.00
Less : Provision for diminution in investments***	(171,257.96)	(171,257.96)
<b>Total</b>	<b>3,293,734.86</b>	<b>3,135,924.17</b>

Aggregate Market Value of Quoted Investments\*

1,768,284.33

3,468,030.50

Aggregate Cost of Quoted Investments

2,854,573.51

2,846,762.82

Aggregate Cost of Un-quoted Investments

610,419.31

460,419.31

\* in view of the long term investment in an Associate company, M/s Oswal Greentech Limited, no provision for the temporary diminution as on 31.03.2013 has been made.

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

\*\*\* Provision for diminution on Investment relates to investment made in M/s P C Media Systems Ltd. These equity shares have been valued at ₹ 9.90 per share in accordance with net worth of the company. Provision has been made by difference amount of cost and realized value of the shares.



**Oswal Agro Mills Limited**  
**NOTES (Contd...)**

(₹In thousand)

2.12 LONG-TERM LOANS AND ADVANCES	As at 31.03.2013	As at 31.03.2012
(Unsecured considered good)		
Capital Advances	–	353.13
Security Deposits	1,601.09	16,601.09
Advance to suppliers	108,000.00	441,828.00
Loan to body corporate	658,500.00	1,440,000.00
Income Tax Advances (net)	73,796.54	52,017.19
Others Loans & Advances	–	336.12
<b>Total</b>	<b>841,897.63</b>	<b>1,951,135.53</b>
<b>2.13 CURRENT INVESTMENT</b>		
Mutual Funds	530,000.00	2,703.57
249,301.54 Units (Previous Year 1,391.29 Units) of LIC Mutual Fund Saving Plus Fund		
<b>Total</b>	<b>530,000.00</b>	<b>2,703.57</b>
<b>2.14 INVENTORIES</b>		
LAND*	183,495.20	183,495.20
(Cost or market value whichever is lower)		
STOCK IN TRADE (Equity Shares)	23,908.50	23,908.50
(Cost or market value whichever is lower)		
<b>Total</b>	<b>207,403.70</b>	<b>207,403.70</b>
* Note :		
1. Converted from fixed assets.		
2. The company entered into an agreement with Oswal Greentech Limited (“OGL”) for the purpose of development of the commercial cum residential project at Chembur Land in Mumbai . In accordance with the agreement, the company has to contribute its land and OGL is required to incur all the development expenses of the project with the understanding to share the ownership of the Chembur project in an agreed ratio. The Construction/ development of this project were stayed by the Mumbai High Court vide order dated 12th April 2012. Now the case is sub-judicial before Supreme Court, Order awaited.		
<b>2.15 TRADE RECEIVABLES</b>		
Outstanding exceeding six months	–	–
Others	244,135.00	–
<b>Total</b>	<b>244,135.00</b>	<b>–</b>
<b>2.16 CASH AND BANK BALANCES</b>		
<b>A Cash and cash equivalents</b>		
Balances with banks		
– in Current Account	4,140.10	16,609.18
Cash in hand	2.26	2.26
Cheques in hand	356,237.50	56,429.83
<b>Total (A)</b>	<b>360,379.86</b>	<b>73,041.27</b>
<b>B Other bank balances</b>		
– in Fixed Deposits ( For Margin Money ) – maturity within 12 months*	32,397.40	25,830.92
<b>Total (B)</b>	<b>32,397.40</b>	<b>25,830.92</b>
<b>Total (A+B)</b>	<b>392,777.26</b>	<b>98,872.19</b>

\* Fixed Deposits are pledged as security with/against Govt. Department/loans/Bank Deposits

**NOTES (Contd...)**

(₹ In thousand)

2.17 SHORT-TERM LOANS AND ADVANCES	As at 31.03.2013	As at 31.03.2012
(Unsecured considered good)		
Loans to body corporate	310,000.00	650,000.00
Security Deposits	15,000.00	-
Other advances*	17,020.98	25,050.59
<b>Total</b>	<b>342,020.98</b>	<b>675,050.59</b>
* includes ₹ 198.22 thousand (Previous Year ₹ Nil ) receivable from associates.		
2.18 OTHER CURRENT ASSETS		
Interest Income Accrued	36,076.65	22,309.09
<b>Total</b>	<b>36,076.65</b>	<b>22,309.09</b>
2.19 REVENUE FROM OPERATIONS	For the year ended 31.03.2013	For the year ended 31.03.2012
Sale of Land	244,135.00	-
<b>Other Operating Revenue</b>		
Interest Received on ICD	215,011.48	94,867.70
<b>Total</b>	<b>459,146.48</b>	<b>94,867.70</b>
2.20 OTHER INCOME		
Profit/(Loss) on Trading of Shares/Mutual Fund	11,467.84	34,381.24
Interest Income	2,791.70	3,530.93
Rental Income	120.00	120.00
Sales Tax Refund	-	4,576.93
Misc. Income	9.00	204.85
<b>Total</b>	<b>14,388.54</b>	<b>42,813.95</b>
2.21 PURCHASE OF STOCK IN TRADE		
Purchase of Land	244,000.00	-
<b>Total</b>	<b>244,000.00</b>	<b>-</b>
2.22 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing stock of Stock in trade	23,908.50	458,850.00*
Closing stock of Land	183,495.20	183,495.20
Less: Opening stock of Stock in trade	(23,908.50)	(458,850.00)
Less: Opening stock of Land	(183,495.20)	(183,495.20)
<b>Total</b>	<b>-</b>	<b>-</b>

\* Company has held 24,15,000 equity shares of P C Media Systems Ltd at cost of ₹ 190 per share. These shares had been valued at realized value of ₹ 9.90 per share in accordance with Net worth of the company, remaining amount had been written-off and charged to statement of profit & loss under "Exceptional Items" in previous year.



2.23 EMPLOYEE BENEFITS EXPENSE	For the year ended 31.03.2013	For the year ended 31.03.2012
Salaries and wages	1,993.52	2,181.20
Contribution to provident and other funds	126.41	115.07
Staff welfare expenses	1,164.30	782.34
<b>Total</b>	<b>3,284.23</b>	<b>3,078.61</b>

**Employee Benefits**

The Company has classified various employee benefits as under:

a) **Defined Contribution Plans**

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

Employees Provident Fund including family pension fund ₹ 108.31 thousand (Previous Year ₹ 96.13 thousand)

b) **Defined Benefit Plans**

Particulars	Earned Leave (Unfunded) 31.03.2013	Earned Leave (Unfunded) 31.03.2012	Gratuity (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2012
<b>(i) Valuation in respect of gratuity/earned leave has been carried out by independent actuary, as at the Balance date, based on the following assumption:</b>				
Discounting Rate	8.00%	8.50%	8.00%	8.50%
Future salary Increase	5.50%	6.00%	5.50%	6.00%
Expected Rate of return on plan assets	NA	NA	NA	NA
Expected Average remaining working lives of employees in number of years	(0.79)	0.21	(0.79)	0.21

(₹ In thousand)

<b>(ii) The amounts recognized in the balance sheet are as follows :</b>				
Present value of obligation	18.94	20.14	599.86	569.72
Fair value of plan assets	-	-	-	-
Net asset / (liability) recognized in balance sheet	(18.94)	(20.14)	(599.86)	(569.72)
<b>(iii) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows</b>				
Present value of obligation as at the beginning of the year	20.14	17.89	569.72	462.84
Interest cost	1.61	1.52	45.58	39.34
Current service cost	0.72	0.80	22.40	22.13
Benefits Paid	(19.29)	(16.65)	-	-
Actuarial (gain)/loss on obligation	15.75	16.59	(37.83)	45.40
Present value of obligation as at the end of year	18.94	20.14	599.86	569.72
- Expected to due in 12 months (Short-term provision)	15.23	11.54	234.58	236.14
- Expected to due after 12 months (Long-term provision)	3.71	8.61	365.28	333.58
<b>(iv) The amount recognized in the Statement of Profit &amp; Loss is as follows :</b>				
Current service cost	0.72	0.80	22.40	22.13
Interest cost	1.61	1.52	45.58	39.34
Net actuarial (gain)/ loss recognized in the year	15.75	16.59	(37.83)	45.40
Amount apportioned from a group company	14.01	67.93	13.60	71.14
Expenses recognized in the statement of profit & loss	32.09	86.84	43.74	178.02

**NOTES (Contd...)**

(₹ In thousand)

2.24 FINANCE COST	For the year ended 31.03.2013	For the year ended 31.03.2012
Interest others	2.87	477.93
<b>Total</b>	<b>2.87</b>	<b>477.93</b>
<b>2.25 OTHER EXPENSES</b>		
Rent	5,877.61	23,744.54
Rates And Taxes	289.96	291.79
Listing Fees	1,012.29	4,818.23
Printing & Stationery	1,482.23	1,342.96
Postage & Telegram	1,805.22	1,810.09
Consultation & Professional Fee	18,630.68	9,397.40
Repairs & Maintenance :		
Building	196.76	130.09
Others	66.13	276.23
Payment to Auditor (refer note 2.30)	1,244.14	878.17
Other expenses	4,314.29	3,195.96
<b>Total</b>	<b>34,919.31</b>	<b>45,885.46</b>
<b>2.26 EXCEPTIONAL ITEMS</b>		
Diminution in the value of Inventories	-	434,941.50
Provision for diminution in investment*	-	171,257.96
Balances written back (Net)	-	(76,030.45)
Fixed Assets written off	-	24.52
Excise Duty paid	-	18,533.32
Loss on real estate activities**	250,000.00	-
Compensation against legal case	1,200.00	-
Advances written off***	10,849.79	-
<b>Total</b>	<b>262,049.79</b>	<b>548,726.85</b>
<p>* Provision for diminution has been made against investment in equity shares of M/s P C Media Systems Ltd.</p> <p>** The Company has terminated an agreement for sale of area, being developed under joint agreement with Oswal Greentech Limited, in view of the judgment of the Hon'ble High Court of Bombay for staying the development work. Due to the termination it has suffered a loss of ₹ 250,000 thousand.</p> <p>*** Represent advance given by the wholly owned foreign subsidiary "Oswal Overseas Limited" which has been written off during the year.</p>		
<b>2.27 PRIOR PERIOD ADJUSTMENT (NET)</b>		
<b>Expenses</b>		
Other General Expenses	-	929.11
<b>Total (Net)</b>	<b>-</b>	<b>929.11</b>
<b>2.28 TAX EXPENSES</b>		
<b>Current Tax</b>		
Income Tax	-	-
<b>Tax for earlier years</b>		
Income Tax	-	2,595.44
<b>Total</b>	<b>-</b>	<b>2,595.44</b>



**Oswal Agro Mills Limited**  
**NOTES (Contd...)**

(₹ In thousand)

2.29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :	As at 31.03.2013	As at 31.03.2012
a) Claims against the company not acknowledged as debts	38,404.53	30,359.52
b) Other money for which the company is contingently liable	1,422.73	41,966.73

**2.30 PAYMENT TO AUDITOR (REFER NOTE – 2.25)**

Particulars	Current Year*	Previous Year*
Auditor	1,057.06	716.95
Taxation matters	168.54	–
Certification work	18.54	104.79
Reimbursement of out-of-pocket expenses	–	56.43
<b>Total</b>	<b>1,244.14</b>	<b>878.17</b>

\* including of service tax

**2.31 EARNING PER EQUITY SHARE**

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

Particulars	Current Year	Previous Year
Profit/(Loss) before extraordinary item attributable to equity shareholders (A) (₹ in thousand)	(64,181.47)	(183,825.94)
Profit/(Loss) after extraordinary item attributable to equity shareholders (B) (₹ in thousand)	(64,181.47)	(185,025.94)
Basic/Diluted Weighted Average of equity shares outstanding during the year (C)	134,234,776	134,234,776
Nominal Value of equity shares (₹)	10	10
Basic/Diluted earnings per share excluding extraordinary item (₹) (A)/(C)	(0.48)	(1.37)
Basic/Diluted earnings per share including extraordinary item (₹) (B)/(C)	(0.48)	(1.38)

**2.32 RELATED PARTY DISCLOSURES**

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

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

- Oswal Greentech Limited
- Lucky Star Entertainment Limited
- Aruna Abhey Oswal Trust
- Sohanaa International Private Limited

(b) **Key Management Personnel and their relatives:-**

- Mr. Abhey Kumar Oswal
- Mr. Anil Bhalla
- Mr. Shael Oswal

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

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

**NOTES (Contd...)**

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

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

(₹In thousand)

Particulars	Nature of transactions	Current Year	Previous Year
Oswal Greentech Limited (Associate)	<b>Transactions during the year :</b>		
	Rent Received	120.00	120.00
	Reimbursement of Payments made by Enterprise (Oswal Greentech Ltd.) on behalf of the company	53.65	138.00
	Their share of common expenses transferred from the enterprise	3,340.52	3,778.05
	Advance received	458,500.00	976,420.00
	Advance repaid	458,500.00	976,420.00
	Advance given	40,000.00	–
	Advance received back	40,000.00	–
	<b>Balances outstanding at year end:</b>		
	– Receivable (common expenses)	198.22	
	– Payable(common expenses)	–	22.22
	– Investment	2,854,573.51	2,846,762.82
Sohanaa International Private Limited	<b>Transactions during the year :</b>		
	Investment Sold		5,000.00

**2.33 SEGMENT**

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

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

(₹ In thousand)

S. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Segment Revenue</b>		
	Investment Activities	226,479.32	129,248.94
	Trading	–	–
	Real Estate	244,135.00	–
	Unallocated	2,920.70	8,432.71
	<b>Total Segment Revenue</b>	<b>473,535.02</b>	<b>137,681.65</b>
<b>2</b>	<b>Segment Result</b>		
	Profit/(Loss) before tax and interest from each segment		
	Investment Activities	223,363.54	126,014.62
	Trading	–	–
	Real Estate	(273,380.26)	(458,456.43)
	Unallocated	(21,972.57)	(129,776.51)
	Less : Interest & Finance Charges	2.87	477.93
	<b>Profit before Taxation</b>	<b>(71,992.16)</b>	<b>(462,696.25)</b>
	Less : Provision for Current Tax	–	–
	Less : Fringe benefit Tax for Earlier Year	–	2,595.44



Oswal Agro Mills Limited  
NOTES (Contd...)

(₹ In thousand)

S. No.	Particulars	Current Year	Previous Year
	<b>Profit from Ordinary Activities after Tax before share of profit from associate and extra ordinary items</b>	<b>(71,992.16)</b>	<b>(465,291.69)</b>
	<b>Share of Associate</b>	<b>7,810.69</b>	<b>281,465.75</b>
	<b>Profit from Ordinary Activities after Tax and share of profit from associate before extra ordinary items</b>	<b>(64,181.47)</b>	<b>(183,825.94)</b>
	Extra Ordinary Item (Net of Tax)	–	–
	Foreign Exchange Fluctuation Loss	–	1,200.00
	<b>Net Profit / (Loss) before share of Profit from Associate</b>	<b>(64,181.47)</b>	<b>(185,025.94)</b>
<b>3</b>	<b>Segment Assets</b>		
	Investment Activities	5,185,186.39	5,317,313.16
	Trading	23,908.50	23,908.50
	Real Estate	536,099.28	643,267.77
	Unallocated	221,528.07	186,652.31
	<b>Total Assets</b>	<b>5,966,722.24</b>	<b>6,171,141.74</b>
<b>4</b>	<b>Segment Liabilities</b>		
	Investment Activities	661.95	–
	Trading	–	–
	Real Estate	106,137.49	250,000.00
	Unallocated	13,475.77	12,408.35
	<b>Total Liabilities</b>	<b>120,275.21</b>	<b>262,408.35</b>
<b>5</b>	<b>Other Information</b>		
	Capital expenditure (Unallocable)	2,204.24	9,083.23
	Depreciation and amortisation (Unallocable)	1,270.98	1,279.94

**2.34 OTHER NOTES :**

- (i) Employee benefits expenses (Notes – 2.23 )and Other expenses ( Notes – 2.25 ) includes ₹ 3340.52 thousand (Previous Year ₹ 3778.05 thousand) being apportioned expenses incurred by a group company on behalf of this company.
- (ii) In the opinion of the management, all current assets and loan & advances as on 31st March, 2013 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (iii) Oswal Brazil Refinara De Petroleo S.A, Brazil, a step down subsidiary of the company is in the process of winding up, hence the accounts of the company have not been consolidated.
- (iv) Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification /disclosure.

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

FOR AND ON BEHALF OF BOARD

Surender Kumar  
Partner  
Membership No. 82982

R.P.Jolly  
Chief Financial Officer  
and Company Secretary

B N Gupta  
CEO and Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Place : New Delhi  
Date : 28th May 2013

**ATTENDANCE SLIP**

**OSWAL AGRO MILLS LIMITED**

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

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

I/we hereby record my/our presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company, being held on Saturday, the 28<sup>th</sup> September, 2013 at 11: 30 A.M. at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)

(SIGNATURE OF SHAREHOLDER/PROXY)

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

\*Strike out whichever is not applicable.

\*\*As applicable to shareholders holding in electronic form or physical form.

----- Cut here -----

**PROXY FORM**

**OSWAL AGRO MILLS LIMITED**

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

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of OSWAL AGRO MILLS LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to attend and vote for me / us and on my / our behalf at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company, being held on Saturday, the 28<sup>th</sup> September, 2013 and at any adjournment thereof.

DP ID, CLIENT ID/ FOLIO NO.	
NO. OF SHARES HELD	

Affix Re. 1/- Revenue Stamp
--------------------------------------

\_\_\_\_\_  
Signature of Proxy

(Signature of Member)

Date \_\_\_\_\_

**NOTE:**

1. The form should be signed across the stamp by member 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.

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