

# ANNUAL *Report* 2018-19



**ABHEY  
OSWAL**  
G R O U P

**Oswal Agro Mills Limited**



**Hon'ble Shri Abhey Kumar Oswal**

**COMPANY INFORMATION**

**Corporate Identification No. (CIN) L15319PB1979PLC012267**

**BOARD OF DIRECTORS**

Dr. Aruna Oswal - Chairperson  
Shri Anil Bhalla - Director  
Shri Bhola Nath Gupta - CEO & Whole Time Director  
Smt. Shikha Jain - Independent Director  
Shri Ramesh Kumar Khanna - Independent Director  
Shri Mohinder Pal Singh - Independent Director

**COMPANY SECRETARY**

Shri Gopal

**CHIEF FINANCIAL OFFICER**

Shri Parveen Chopra

**AUDITORS**

M/s Agarwal & Dhandhanian  
Chartered Accountants

**BANKERS**

HDFC Bank Limited  
RBL Bank Limited

**REGISTERED OFFICE**

Near Jain Colony, Vijay Inder Nagar,  
Daba Road, Ludhiana-141003 (Punjab)  
Phone No. +91-161-2544313  
Email ID: [oswal@oswalagromills.com](mailto:oswal@oswalagromills.com)  
Website: [www.oswalagromills.com](http://www.oswalagromills.com)

**HEAD OFFICE**

7<sup>th</sup> Floor, Antriksh Bhawan,  
22, K G Marg, New Delhi-110001  
Phone No. +91-11-23753652  
Fax No. +91-11-23716276

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, First Floor,  
Okhla Industrial Area, Phase-I,  
New Delhi-110020  
Phone No. +91-11-40450193-97  
Email ID: [sparmar@skylinerta.com](mailto:sparmar@skylinerta.com)

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**OSWAL AGRO MILLS LIMITED**

**Corporate Identification No. (CIN) L15319PB1979PLC012267**

Registered Office: Near Jain Colony, Vijay Inder Nagar, Daba Road,  
Ludhiana-141003 (Punjab), Phone No. +91-161-2544313

Head Office: 7<sup>th</sup> Floor, Antriksh Bhawan, 22, K. G. Marg, New Delhi-110001  
Phone No. +91-11-23753652, Fax No. +91-11-23716276

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

**NOTICE OF THE MEETING**

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, 25<sup>th</sup> day of September 2019 at 12:00 Noon at the Registered Office of the Company at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana -141003 (Punjab), to transact the following Business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31<sup>st</sup> March, 2019 together with the Report of the Board of Directors and the Auditors thereon.
2. To re-appoint Shri Bhola Nath Gupta (DIN: 00562338), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **APPOINTMENT OF SMT. SHIKHA JAIN (DIN 02615074) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY FOR 2ND CONSECUTIVE TERM OF 5 YEARS**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 (10), 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Policy of the Company, consent and approval of the members of the company, be and is hereby accorded by way of special resolution to the re-appointment of Smt. Shikha Jain (DIN 02615074) who was appointed as Non-Executive Independent Director of the Company effective from May 28, 2015 and whose period of office shall be completed on May 27, 2020 in terms of said appointment, to hold office for 2<sup>nd</sup> consecutive term of 5 years commencing from May 28, 2020 and shall not be liable to retire by rotation.”

4. **APPOINTMENT OF SHRI BHOLA NATH GUPTA (DIN 00562338) AS CHIEF EXECUTIVE OFFICER AND WHOLE TIME DIRECTOR**

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and Section 203 of the Companies Act, 2013 and applicable Rules and Articles of Association of the Company, consent of the members of the company, be and is hereby accorded to the re-appointment of Shri Bhola Nath Gupta as Chief Executive Officer and Whole Time Director of the Company w.e.f. 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2022 at remuneration payable as mentioned below as approved by the Board:”

**Salary and Allowances:**

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

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

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

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the terms of Shri Bhola Nath Gupta as CEO and Whole Time Director, the remuneration set out in the aforesaid letter of appointment be paid or granted to Shri Bhola Nath Gupta as minimum remuneration provided that the total remuneration by way of salary and other allowances

shall not exceed the ceiling provided in Section IIA of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment thereof."

**5. MAINTENANCE OF THE REGISTER OF MEMBERS, ANNUAL RETURNS AND RELATED BOOKS AT A PLACE OTHER THAN THE REGISTERED OFFICE OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 94 read with Section 88 and 92 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the consent of the members of the company, be and is hereby accorded to keep, maintain and preserve Register of Members, Index of Members of the Company, Register of Renewed and Duplicate Shares, Annual Returns of the company and other related documents, at the head office of the Company, located at 7<sup>th</sup> Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, Connaught Place, New Delhi - 110001, instead of keeping and maintaining the same at Registered Office of the Company in Ludhiana.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the company."

By Order of the Board  
For Oswal Agro Mills Limited

Place : New Delhi  
Dated : 09.08.2019

Gopal  
Company Secretary

**NOTES:**

1. A member entitled to attend and vote at the 39<sup>th</sup> Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of himself/herself and the proxy need not be a member. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
2. As per the requirement of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for appointment of the Directors(s)/re-appointment of the retiring Director(s), a statement containing details of the concerned Director(s) is provided herewith.
3. 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.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September 2019 to 25<sup>th</sup> September 2019 (both days inclusive).
6. Cut-Off Date:
  - i) The notice is being sent to all the members, whose name appears as on 9<sup>th</sup> August 2019 in the register of members or beneficial owners as received from M/s Skyline Financial Services Private Limited, Registrar & Share Transfer Agent of the Company.
  - ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 18<sup>th</sup> September 2019 (the "Cut-Off Date"), only shall be entitled to vote through Remote E-voting and at the AGM of the Company. The voting rights of members shall be in proportion to the number of shares held by them as on the cut-off date.
7. The members are requested to:
  - (a) Take the advantage of dematerialization of shares as Company's scrip has been put under the compulsory dematerialization. Shareholders are requested to get in touch with any Depository Participant for getting the shares dematerialized.
  - (b) Bring their copy of Annual Report at the Annual General Meeting.
8. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio. A consolidated share certificate will be returned to such member after making requisite changes thereon.
9. Members intending to seek any clarification on the accounts in the meeting are requested to inform the company at least 10 days in advance from the date of the Annual General Meeting.
10. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail id by sending written requests to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and to the concerned Depository Participant in respect of shares held in demat form to enable the Company to serve them documents/all communications including Annual Report, Notices, Circulars etc. electronically.

11. The notice of the AGM along with the Annual Report for the financial year 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays up to the date of the Annual General Meeting.
13. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case, their shares are held in the dematerialized form, they must quote their Client ID Number and DP ID Number.
14. Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members at the Annual General Meeting.
17. At the 37<sup>th</sup> Annual General Meeting (AGM) of the company held on 28<sup>th</sup> September 2017 the members approved the appointment of M/s Agarwal & Dhandhanja, Chartered Accountants (Firm Registration No. 125756W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 42<sup>nd</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 39<sup>th</sup> AGM.
18. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. from the Company in electronic mode.**
19. **Remote E-Voting Facility**

In accordance with the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules 2014, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (Remote e-voting) to all its members. The Company has engaged the services of National Securities Depositories Limited (NSDL) to provide Remote e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this Remote e-voting facility is optional and not mandatory. The process and manner of Remote E-Voting are as under:-

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Member can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [paramnoor.singh@gmail.com](mailto:paramnoor.singh@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Other Information:**

1. The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote.
2. The remote e-voting period shall commence on Sunday, 22<sup>nd</sup> September, 2019 (9.00 A.M.) and ends on Tuesday, 24<sup>th</sup> September, 2019 (5.00 P.M.). Thereafter the remote e-voting facility will be blocked.
3. Any person who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of 18<sup>th</sup> September, 2019, may obtain their user ID and password for e-voting from the Company's Registrar & Share Transfer Agent or NSDL.
4. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication.



5. Any person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories/ Share Transfer Agent as on cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through Ballot Paper.
6. The Company has appointed Shri Paramnoor Singh, Practicing Chartered Accountant, Membership No. 515572 as 'Scrutinizer' for conducting and scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
7. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the AGM by Ballot Papers and there after un-lock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make, within a period not exceeding two days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman of meeting or a person authorized by him in writing.
8. The Results of voting along with the report of the Scrutinizer shall be placed on the website of the Company [www.oswalagromills.com](http://www.oswalagromills.com) and on the website of NSDL immediately after the declaration of result by the Chairman of the meeting or a person authorized by him. The results shall also be immediately forwarded to Stock Exchanges.

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

| PARTICULARS   | NAMES OF DIRECTORS TO BE RE-APPOINTED                             |  |
|---|---|--|
|   | BHOLA NATH GUPTA  | SHIKHA JAIN  |
| Date of Birth   | 14 <sup>th</sup> March 1950                                       | 19 <sup>th</sup> November 1974                           |
| Date of Appointment   | 14 <sup>th</sup> May 2004   | 28 <sup>th</sup> May 2015                                |
| Qualifications  | B. Sc. Agri. Engg. and MBA Finance                                | Commerce Graduate  |
| Expertise in specific functional areas                      | Wide experience in finance, commercial and general administration | Wide experience in commercial and general administration |
| Relationships between directors inter-se                    | None  | None   |
| Directorships held in other listed companies                | –   | –  |
| Committee membership/Chairmanship in other listed companies | –   | –  |
| Number of shares held in the Company                        | Nil   | Nil  |

**EXPLANATORY STATEMENTS IN RESPECT OF SPECIAL BUSINESSES**

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

**ITEM NO 3.**

Smt. Shikha Jain was appointed as an Independent Non- Executive Director of the company by the members at 35<sup>th</sup> Annual General Meeting of the company held on 30<sup>th</sup> September 2015 for a period of five consecutive years commencing from 28<sup>th</sup> May 2015 up to 27<sup>th</sup> May 2020.

As per section 149(10) of the Act, an Independent Director shall hold the office for a term of up to five consecutive years on the Board of a company but be eligible for re-appointment on passing a special resolution by the company for another term of up to five consecutive years on the Board of a company.

Based on the recommendation of Nomination and Remuneration Committee and in term of the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Smt. Shikha Jain being eligible for re-appointment as an Independent Director and offering herself for re-appointment as an Independent Director, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 28<sup>th</sup> May 2020 up to 27<sup>th</sup> May 2025.

The company has received declaration from her stating that she meets the criteria of Independent as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. She has also given her consent to continue to act as director of the company if so, approved by the members.

In the opinion of the Board, Smt. Shikha Jain fulfils the conditions specified under section 149(6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as an Independent Non-Executive Director of the company and is Independent of the management .

The Board consider that her continuing association would be of immense benefit to the company and it is desirable to continue to avail services of Smt. Shikha Jain as an Independent Director. Accordingly, the Board recommended passing of the Special Resolution in relation to re-appointment of Smt. Shikha Jain as an Independent Director for another term of five years with effect from 28<sup>th</sup> May 2020 up to 27<sup>th</sup> May 2025, for the approval by the members of the company.

Except, Smt. Shikha Jain, being an appointee and her relatives, none of the Directors and Key Managerial Personnel of the company and their relatives and concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the accompanying Notice of the AGM. Smt. Shikha Jain is not related to any director of the company.

**ITEM NO 4**

Shri Bhola Nath Gupta (DIN 00562338) was appointed as CEO & Whole Time Director of the company w.e.f. 1<sup>st</sup> October 2016 to 30<sup>th</sup> September 2019 and his tenure on the said designation shall be completed on 30<sup>th</sup> September. 2019. The Board of the Company

proposed to re-appoint Shri Bhola Nath Gupta as CEO & Whole Time Director of the Company for a further period of three years w. e. f. 1<sup>st</sup> October 2019 to 30<sup>th</sup> September 2022 on the salary and perquisites as mentioned above in the notice, without any modification in the existing salary as also recommended by the Nomination & Remuneration Committee of the Board in its meeting held on 21<sup>st</sup> May 2019 and the same was also considered by the Board of Directors in their meeting held thereafter subject to approval of shareholders of the Company by way of Special Resolution in the forthcoming Annual General Meeting of the Company. Remuneration of Shri Bhola Nath Gupta was fixed by the Nomination & Remuneration Committee and Board of Directors of the company is within the limit as per Schedule V of the Companies Act 2013.

The Board recommends the passing of the resolution no.4, by way of Special Resolution as per requirement of Companies Act, 2013 for your approval as set out in the notice at item no 4. The Nomination & Remuneration Committee of the Board and the Board of Directors has already approved the appointment of Shri Bhola Nath Gupta.

None of the Directors, Key Managerial Personnel and their relatives, except Shri Bhola Nath Gupta, is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**ITEM NO 5.**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and the Rules made there under, the Register of Members and Index of Members required to be kept and maintained by the company under Section 88 and copies of the Annual Returns filed by the Company under Section 92 shall be kept at the registered office of the company, provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company.

In view of the above, it is proposed to keep, maintain and preserve Register of Members, Index of Members of the Company, Register of Renewed and Duplicate Shares, Annual Returns of the company and other related documents at the head office of the Company, located at 7<sup>th</sup> Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, Connaught Place, New Delhi-110001, instead of keeping and maintaining the same at Registered Office of the Company in Ludhiana. The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

The Board recommends the passing of the resolution no. 5, by way of Special Resolution as per requirement of Companies Act, 2013 for your approval as set out in the notice at item no 5.

None of the Directors, Key Managerial Personnel and their relatives, is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By Order of the Board  
For Oswal Agro Mills Limited

Place : New Delhi  
Dated : 09.08.2019

Gopal  
Company Secretary

## DIRECTORS' REPORT

To,  
The Members  
Oswal Agro Mills Limited

Your Company's Directors are pleased to present the 39<sup>th</sup> Annual Report of the Company, along with Audited Accounts, for the financial year ended 31<sup>st</sup> March, 2019.

### FINANCIAL HIGHLIGHTS

We share with you our 39<sup>th</sup> Annual Report together with the Audited Financial statements for the year ended 31<sup>st</sup> March, 2019. The Company's performance grouped in accordance with the new accounting standards Ind-AS (Indian Accounting Standards), is summarized:

(₹ in thousand)

| PARTICULARS   | Current Year<br>31.03.2019 | Previous Year<br>31.03.2018 |
|---|----------------------------|-----------------------------|
| Revenue from Operations   | –                          | 223665.00                   |
| Other Income  | 216687.10                  | 197919.43                   |
| Total Revenue   | 216687.10                  | 421584.43                   |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 119417.44                  | 101262.82                   |
| Less: Depreciation/Amortisation/Impairment  | 2109.16                    | 1880.41                     |
| Profit /loss before Finance Costs, Exceptional items and Tax Expense              | 117308.28                  | 99382.41                    |
| Less: Finance Costs   | 510.66                     | 472.34                      |
| Profit/loss before Exceptional items and Tax Expense                              | 116797.62                  | 98910.07                    |
| Add/(less): Exceptional items   | –                          | –                           |
| Profit/loss before Tax Expense  | 116797.62                  | 98910.07                    |
| Less: Tax Expense (Current & Deferred)  | 24068.27                   | (29947.85)                  |
| Profit/loss for the year  | 92729.35                   | 128857.92                   |
| Balance of profit/loss for earlier years  | (407271.34)                | (536129.26)                 |
| Less: Transfer to Reserves  | –                          | –                           |
| Balance carried forward   | (314541.99)                | (407271.34)                 |

### REVIEW OF OPERATIONS & FUTURE OUTLOOK

The Company always adhere to achieve best in the industry and try to optimize the cost and its efficiency level which translating into profit margins. The Company has not generated any revenue during the year under review. The company is looking for various business opportunities in the real estate and investment sector. The future business outlook of the company seems bright.

### CHANGE IN NATURE OF BUSINESS

During the year, there was no change in the nature of any business activity of the company.

### SUBSIDIARY COMPANY AND ASSOCIATES COMPANY

#### SUBSIDIARY

There is no subsidiary of the company within the meaning of Section 2(87) of the Companies Act 2013 ("Act").

#### ASSOCIATE

The company has one associate namely M/s Oswal Greentech Limited.

#### DIVIDEND

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

### PUBLIC DEPOSITS

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

### MATERIAL CHANGES

There are no material changes to report for.

### MATERIAL INFORMATION

Shri Pankaj Oswal (eldest son of erstwhile Chairperson Shri Abhey Kumar Oswal) has filed a petition under section 241,242 read with Section 244 of the Companies Act, 2013 against the company seeking relief against various acts of oppression and mismanagement before the NCLT, Chandigarh. However, the company had challenged this petition on the grounds of its maintainability before NCLAT, New Delhi, hearing for which had been concluded and the judgement is reserved.

**REPORT ON THE HIGHLIGHTS OF PERFORMANCE OF ASSOCIATE COMPANY AND ITS CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY****Oswal Greentech Limited (Associate Company)**

Oswal Greentech Limited is a listed company incorporated and domiciled in India and has its principal place of business at 7<sup>th</sup> Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110001. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The principal business of the associate company is trading and development of real estate projects. Further, the associate company also invests its surplus funds as interest bearing inter-corporate deposits. During the year, the associate Company has recorded total revenue of ₹11,250.44 Lakhs and profit after tax of ₹ 4,807.80 Lakhs.

**STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Agarwal & Dhandhanias, Chartered Accountants (Firm Registration No. 125756W) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 37<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 until the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Audit Committee of the Board. However, as per the Companies Amendment Act, 2017, the requirement of annual ratification has been omitted. Accordingly, the ratification of their appointment shall not be placed before the shareholders, in the ensuing Annual General Meeting.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

**REPORT OF STATUTORY AUDITORS**

M/s Agarwal & Dhandhanias, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2018-19, which forms part of the Annual Report 2018-19. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

**SECRETARIAL AUDITORS AND THEIR REPORT**

Section 204 of the Companies act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board appointed M/s. CT & Company, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2018-19 and their report is annexed to this report as Annexure-I. There are no qualifications/ observations/ reservations/ adverse remarks in the said report, which call for any explanation from the Board of Directors.

M/s CT & Company, Company Secretaries have been re-appointed to conduct the secretarial audit of the Company for the financial year 2019-20. They have confirmed that they are eligible for the said appointment.

**INTERNAL AUDITORS**

M/s T R Chadha & Co LLP, Chartered Accountants, New Delhi are the Internal Auditors of the Company.

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

The details forming part of the extract of the Annual Return in Form MGT-9 as per the requirements of Companies Act, 2013 and Rules thereto are annexed to this report as Annexure-II.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Bhola Nath Gupta (DIN 00562338), director of the Company, who retires by rotation and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

During the year under review, Shri Mohinder Pal Singh (DIN 08155393) and Shri Ramesh Kumar Khanna (DIN 08166297) were appointed as Non-Executive Independent Directors of the company by the Board w.e.f. 6<sup>th</sup> July, 2018 in their meeting held on that date.

Shri Harnish Bindra (DIN 07112509), Independent Director of the Company tendered his resignation dated 1<sup>st</sup> May, 2018 to the company and same was acknowledged and further, taken on record by the Board of Directors w.e.f. 1<sup>st</sup> May, 2018 in its Board Meeting held on 15<sup>th</sup> May, 2018. The Board has placed on record the contribution made by Shri Harnish Bindra to the company during his tenure.

Shri Vikram (DIN 07555192), Independent Director of the Company tendered his resignation dated 15<sup>th</sup> June, 2018 to the Company and same was acknowledged and further, taken on record by the Board of Directors w.e.f. 15<sup>th</sup> June, 2018 in its Board Meeting held on 6<sup>th</sup> July, 2018. The Board has placed on record the contribution made by Shri Vikram to the Company during his tenure.

Shri Pulkit Gupta (DIN 07026809) was appointed on the Board of the Company as additional director w.e.f. 15<sup>th</sup> May, 2018 and due to his pre-occupations, he has placed his resignation dated 20<sup>th</sup> June, 2018 to the Company and same was acknowledged and further, taken on record by the Board of Directors w.e.f. 20<sup>th</sup> June, 2018 in its Board Meeting held on 6<sup>th</sup> July, 2018.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

As on 31<sup>st</sup> March, 2019, the Key Managerial Personnel of the Company are: Shri Bhola Nath Gupta, Chief Executive Officer and Whole-time Director, Shri Parveen Chopra, Chief Financial Officer and Shri Gopal, Company Secretary.

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

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i. that in preparation of the annual accounts, the applicable accounting standards had been followed and no material departures have been made from the same;
- ii. that Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that period;
- iii. that Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a going concern basis;
- v. that the Directors had laid down the internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- vi. that Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

#### **AUDIT COMMITTEE**

The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit committee has met 4 times during the year, the details of which are given in the Corporate Governance Report. All recommendations of Audit Committee were accepted by the Board of Directors.

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

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

#### **CORPORATE GOVERNANCE**

The Company constantly endeavors to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information regarding the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company.

A report on corporate governance, along with a certificate of compliance from the auditors, forms part of this report.

#### **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details as required is furnished in Annexure-III and is attached to this report. Further, there was no employee of the Company drawing remuneration in excess of the limits prescribed u/s 197 of Companies Act, 2013 read with rules made thereunder during the financial year.

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

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

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED U/S 186 OF COMPANIES ACT, 2013**

Particulars of loans given are provided under Note No. 39 to the standalone financial statement. Particulars of investment made are provided under Note No. 5, 6 and 12 to the Financial Statement provided in this Annual Report. The Company has not given any guarantee or security in connection with loan to any other body corporate or person.

**PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY REFERRED TO IN SUB-SECTION 1 OF SECTION 188 OF COMPANIES ACT, 2013**

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

During the year, the company has not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions. Accordingly, transactions those are required to be reported in Form AOC-2 are enclosed as Annexure-IV.

A detailed report on contract & arrangement made during the financial year 2018-19 being arm's length transaction have been reported and annexed as Note No. 37 to the Standalone Financial Statement.

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

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

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

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

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no orders passed by any authority impacting the going concern status and company's operations in future.

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

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

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Board of Directors of the Company have Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and has defined a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. At present there is no identifiable risk which in the opinion of the Board may threaten the existence of the Company.

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

The role of CSR Committee is as under:-

- (a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013, and rules thereunder.
- (b) Recommend the amount of expenditure to be incurred on the activities as above.
- (c) Monitor the CSR Policy of the Company from time to time.

The Company has in place a CSR policy in line with Schedule-VII of the Companies Act, 2013. As per the policy the CSR activities are focused not just around the offices of the Company, but also in other geographies based on the needs of the communities. The main focus areas where CSR programmes of Oswal's run are:

1. Eradicating hunger, poverty and malnutrition.
2. Preventive health care.
3. To provide residential houses to the weaker section of society.
4. To promote education among children and livelihood enhancement projects.

In view of absence of net profits of the Company calculated as per statutory requirements, no expenditure was required to be spent on CSR activities by the company during the year. However, the company has contributed an amount of ₹ 2,000 thousand towards CSR during the year under review.

The annual report on CSR activities is furnished in Annexure-VI which forms part of this report.

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

Pursuant to the provisions of the Companies Act, 2013, and relevant Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board has carried out the annual performance evaluation of its own performance and other Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board

culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairperson of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment.

Performance evaluation of independent directors was done by the entire board, excluding the independent directors.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairperson was reviewed and evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors.

#### **INTERNAL FINANCIAL CONTROL SYSTEM**

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Board of Directors of the Company is responsible for ensuring that Internal Financial controls have been laid down in the Company and that such controls are adequate and operating effectively.

The foundation of Internal Financial Controls ('IFC') lies in the Oswal Code of Conduct ('OCOC'), policies and procedures adopted by the Management, corporate strategies, annual business planning process, management reviews and the risk management framework.

The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the company. Based on the report of the internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. During the year the independent consultants have also been engaged for providing assistance in improvising IFC framework including preparation of Management Risk Control Matrix for various processes and deployment of Self-Assessment Tool.

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

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

The internal financial controls were in operation during the reporting period from April 1<sup>st</sup> 2018 to March 31<sup>st</sup> 2019. Our management assessed the effectiveness of the Company's internal control over financial reporting as of March 31<sup>st</sup>, 2019.

M/s Agarwal & Dhandhanian, Chartered Accountants, the Statutory Auditors has audited the financial statements of the Company for financial year 2018-19. They assess the internal financial controls including the Entity Level Controls, Process Application and Transaction Controls and Information Technology General Controls.

The audit committee reviews the reports submitted by the Internal Auditors in each of its meeting. Also, the audit committee at frequent intervals has independent sessions with the statutory auditor and the Management to discuss the adequacy and effectiveness of IFC.

Based on its evaluation as defined in Section 177 of Companies Act 2013, and Regulation 18 of Listing Regulations, our audit committee has concluded that, as of March 31<sup>st</sup>, 2019, our internal financial controls were adequate and operating effectively.

#### **SECRETARIAL STANDARDS**

During the year, the Company has complied with the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India to the extent applicable to the Company.

#### **COST RECORDS**

As required under Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014, the Company confirms that maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company.

#### **VIGIL MECHANISM**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal and unethical behavior.

The Board of Directors of the Company has pursuant to the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports etc. which has been uploaded on the Company's website at the following link: [http://www.oswalagromills.com/policy/VIGIL\\_MECHANISM\\_POLICY.pdf](http://www.oswalagromills.com/policy/VIGIL_MECHANISM_POLICY.pdf)

The employees of the Company have the right/option to report their concern/grievance to the Chairperson of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. During the year under review, no employee was denied access to the Chairperson of the Audit Committee.

**CODE OF CONDUCT**

The members of the Board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended 31<sup>st</sup> March 2019. The annual report of the Company contains a certificate by the CEO and Whole Time Director in terms of Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- |   |       |
|---|-------|
| (a) Number of complaints pending at the beginning of the year | - Nil |
| (b) Number of complaints received during the year             | - Nil |
| (c) Number of complaints disposed off during the year         | - Nil |
| (d) Number of cases pending at the end of the year            | - Nil |

**HUMAN RELATIONS**

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

**LISTING**

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

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

The Equity Shares of the Company are frequently traded on Bombay Stock Exchange and National Stock Exchange of India.

**ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

By Order of the Board  
For Oswal Agro Mills Limited

Place : New Delhi  
Dated : 09.08.2019

Aruna Oswal  
Chairperson  
DIN: 00988524



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives and representation made during the conduct of secretarial audit, We hereby report that in our opinion, the Company has during the audit period ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable**
- f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable**
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 - **Not Applicable**

**We have also examined compliance with the applicable Clauses/Regulations of the following:**

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that:**

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

**We further report that:**

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

We further report that the other specific instances of observation made during the course of audit are stated in annexures to this report.

For CT & Company  
Company Secretaries

Shivam Garg  
Partner

Place : New Delhi  
Date : 09.08.2019

COP 16406  
Membership No. 44577

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

**"Annexure-A"**

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

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

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

For CT & Company  
Company Secretaries

Shivam Garg  
Partner

Place : New Delhi  
Date : 09.08.2019

COP 16406  
Membership No. 44577

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

|               |   |  |
|---------------|---|--|
| <b>S. No.</b> | <b>CIN NO</b>   | : L15319PB1979PLC012267  |
| 1.            | Registration Date   | : 14/12/1979   |
| 2.            | Name of the Company   | : OSWAL AGRO MILLS LIMITED   |
| 3.            | Category/Sub-Category of the Company                                      | : Company Limited by Shares; Indian Non-Govt. Company  |
| 4.            | Address of the Registered office and contact details                      | : Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Pb.)<br>Phone: +91-161-2544313<br>Telephone: +91-11-23753652; Fax: +91-11-23716276 (Delhi Office)<br>Email: oswal@oswalagromills.com<br>Website: www.oswalagromills.com |
| 5.            | Whether listed Company  | : Yes  |
| 6.            | Name, Address and Contact details of Registrar and Transfer Agent, if any | : Skyline Financial Services Pvt. Ltd.<br>D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020<br>Phone No. +91-11-40450193-97<br>E-mail: sparmar@skylinerta.com   |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1.      | Investing                                      | 64990                           | 87.35%                             |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr. No. | Name and address of the Company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1.      | Oswal Greentech Limited (Associate)<br>Near Jain Colony, Vijay Inder Nagar,<br>Daba Road, Ludhiana-141003 (Pb.) | L24112PB1981PLC031099 | Associate                      | 35.58%           | 2(6)               |

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

**(i) Category-wise Share Holding**

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

| Category of Shareholders  | No. of Shares held at the beginning of the year |                 |                  |              | No. of Shares held at the end of the year |                 |                  |              | % change during the year |
|---|---|-----------------|------------------|--------------|---|-----------------|------------------|--------------|--------------------------|
| <i>2) Foreign</i>   |   |                 |                  |              |   |                 |                  |              |                          |
| g) NRIs–Individuals   | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| h) Other–Individuals  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| i) Bodies Corporate   | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| j) Banks / FI   | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| k) Any Other  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| <b>Sub–total(A)(2)</b>  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| <b>B. Public Shareholding</b>   |   |                 |                  |              |   |                 |                  |              |                          |
| <i>1. Institutions</i>  |   |                 |                  |              |   |                 |                  |              |                          |
| a) Mutual Funds   | –   | 15200           | 15200            | 0.01         | –   | 15200           | 15200            | 0.01         | –                        |
| b) Banks / FI   | 3399960   | 85309           | 3485269          | 2.60         | 3399960                                   | 85309           | 3485269          | 2.60         |                          |
| c) Central Govt   | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| d) State Govt(s)  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| e) Venture Capital Funds  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| f) Insurance Companies  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| g) FIs  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| h) Foreign Venture Capital Funds  | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| i) Others (specify)   | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| <b>Sub–total(B)(1)</b>  | <b>3399960</b>                                  | <b>100509</b>   | <b>3500469</b>   | <b>2.61</b>  | <b>3399960</b>                            | <b>100509</b>   | <b>3500469</b>   | <b>2.61</b>  | –                        |
| <i>2. Non–Institutions</i>  |   |                 |                  |              |   |                 |                  |              |                          |
| a) Bodies Corp.   |   |                 |                  |              |   |                 |                  |              |                          |
| (i) Indian  | 14586192  | 6808077         | 21394269         | 15.94        | 14056474                                  | 6811751         | 20868225         | 15.55        | (0.39)                   |
| (ii) Overseas   | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| b) Individuals  |   |                 |                  |              |   |                 |                  |              |                          |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 19299350  | 18689259        | 37988609         | 28.30        | 19525237                                  | 17374685        | 36899922         | 27.49        | (0.81)                   |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 11428507  | 386367          | 11814874         | 8.80         | 12520285                                  | 304875          | 12825160         | 9.56         | 0.76                     |
| c) Others (Specify)   |   |                 |                  |              |   |                 |                  |              |                          |
| (i) N.R.I.(REPT & NON–REPT)   | 732826  | 211595          | 944421           | 0.70         | 636698                                    | 235478          | 872176           | 0.66         | (0.04)                   |
| (ii) Public Trust   | 23430   | –               | 23430            | 0.02         | 23430                                     | –               | 23430            | 0.02         | 0.00                     |
| (iii) Corporate Bodies-OCB  | –   | 110900          | 110900           | 0.08         | –   | 110900          | 110900           | 0.08         | 0.00                     |
| (iv)Hindu Undivided Family  | 2157896   | –               | 2157896          | 1.61         | 2350710                                   | 50              | 2350760          | 1.75         | 0.14                     |
| (v) Clearing Members  | 14208   | –               | 14208            | 0.01         | 459434                                    | –               | 459434           | 0.35         | 0.34                     |
| (vi)Qualified Foreign Investor– Corporate   | 252018  | –               | 252018           | 0.19         | 252018                                    | –               | 252018           | 0.19         | 0.00                     |
| <b>Sub–total(B)(2)</b>  | <b>48494427</b>                                 | <b>26206198</b> | <b>74700625</b>  | <b>55.65</b> | <b>49863886</b>                           | <b>24837739</b> | <b>74701625</b>  | <b>55.65</b> | –                        |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                      | 51894387  | 26306707        | 78201094         | 58.26        | 53262846                                  | 24938248        | 78201094         | 58.26        | –                        |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                            | –   | –               | –                | –            | –   | –               | –                | –            | –                        |
| <b>Grand Total (A+B+C)</b>  | <b>107928069</b>                                | <b>26306707</b> | <b>134234776</b> | <b>100</b>   | <b>109296528</b>                          | <b>24938248</b> | <b>134234776</b> | <b>100</b>   | –                        |

(ii) Shareholding of Promoters(including Promoter group)

| Sr. No. | Shareholder's Name   | Shareholding at the beginning of the year |                                  |                                 | Shareholding at the end of the year |                                  |  | % change during the year                  |
|---------|--|---|----------------------------------|---------------------------------|-------------------------------------|----------------------------------|--|---|
|         |  | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged/ encumbered | No. of Shares                       | % of total Shares of the Company | % of Pledged/ encumbered to total shares | % change in share holding during the year |
| 1.      | Dr. Aruna Oswal  | 56026460                                  | 41.74                            | –                               | 56026460                            | 41.74                            | –  | –   |
| 2.      | Oswal Greentech Limited (Formerly Oswal Chemicals & Fertilizers Ltd) | 1000                                      | –                                | –                               | 1000                                | –                                | –  | –   |
| 3.      | P C Media Systems Ltd  | 6222                                      | –                                | –                               | 6222                                | –                                | –  | –   |
|         | Total  | 56033682                                  | 41.74                            | –                               | 56033682                            | 41.74                            | –  | –   |

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

There is no change in the promoters' (including Promoter Group) overall Shareholding during the Financial Year under reference

(iv) Shareholding pattern of Top 10 Shareholders Other than Promoters and Directors

| Sr. No.  | For each of top 10 Shareholder | Transaction Date | Reason   | Increase/ Decrease | Shareholding at the beginning of year |                       | Cumulative Shareholding during the year |                       |
|--|--------------------------------|------------------|----------|--------------------|---------------------------------------|-----------------------|---|-----------------------|
|  |                                |                  |          |                    | No. of Shares                         | % of the Total Shares | No. of Shares                           | % of the Total Shares |
| <b>1. TUSHAR HOLDINGS LTD</b>                    |                                |                  |          |                    |                                       |                       |   |                       |
|  | At the beginning of the year   | 01.04.2018       | –        | –                  | 4628510                               | 3.4481                | 4628510                                 | 3.4481                |
|  | Change during the year         | –                | –        | –                  | –                                     | –                     | 4628510                                 | 3.4481                |
|  | At the end of the year         | 31.03.2019       | –        | –                  | 4628510                               | 3.4481                | 4628510                                 | 3.4481                |
| <b>2. RIVER FINANCE LIMITED</b>                  |                                |                  |          |                    |                                       |                       |   |                       |
|  | At the beginning of the year   | 01.04.2018       | –        | –                  | 3330271                               | 2.4809                | 3330271                                 | 2.4809                |
|  | Change during the year         | –                | –        | –                  | –                                     | –                     | 3330271                                 | 2.4809                |
|  | At the end of the year         | 31.03.2019       | –        | –                  | 3330271                               | 2.4809                | 3330271                                 | 2.4809                |
| <b>3. JALAVEG INVESTMENT AND TRADING CO LTD</b>  |                                |                  |          |                    |                                       |                       |   |                       |
|  | At the beginning of the year   | 01.04.2018       | –        | –                  | 3311575                               | 2.4670                | 3311575                                 | 2.4670                |
|  | Change during the year         | –                | –        | –                  | –                                     | –                     | 3311575                                 | 2.4670                |
|  | At the end of the year         | 31.03.2019       | –        | –                  | 3311575                               | 2.4670                | 3311575                                 | 2.4670                |
| <b>4. SKA HOLDINGS LIMITED</b>                   |                                |                  |          |                    |                                       |                       |   |                       |
|  | At the beginning of the year   | 01.04.2018       | –        | –                  | 2904967                               | 2.1640                | 2904967                                 | 2.1641                |
|  | Change during the year         | 07.01.2019       | Purchase | 1700888            | –                                     | –                     | 4605855                                 | 3.4312                |
|  |                                | 14.01.2019       | Sale     | (1700888)          |                                       |                       | 2904967                                 | 2.1641                |
|  | At the end of the year         | 31.03.2019       | –        | –                  | 2904967                               | 2.1640                | 2904967                                 | 2.1641                |
| <b>5. LIFE INSURANCE CORPORATION OF INDIA</b>    |                                |                  |          |                    |                                       |                       |   |                       |
|  | At the beginning of the year   | 01.04.2018       |          |                    | 2693170                               | 2.0063                | 2693170                                 | 2.0063                |
|  | Change during the year         | –                | –        | –                  | –                                     | –                     | 2693170                                 | 2.0063                |
|  | At the end of the year         | 31.03.2019       |          |                    | 2693170                               | 2.0063                | 2693170                                 | 2.0063                |
| <b>6. DENVER TRADING COMPANY PRIVATE LIMITED</b> |                                |                  |          |                    |                                       |                       |   |                       |
|  | At the beginning of the year   | 01.04.2018       | –        | –                  | 1343097                               | 1.0006                | 1343097                                 | 1.0006                |
|  | Change during the year         | –                | –        | –                  | –                                     | –                     | 1343097                                 | 1.0006                |
|  | At the end of the year         | 31.03.2019       | –        | –                  | 1343097                               | 1.0006                | 1343097                                 | 1.0006                |

| Sr. No.   | For each of top 10 Shareholder | Transaction Date | Reason   | Increase/ Decrease | Shareholding at the beginning of year |                       | Cumulative Shareholding during the year |                       |
|---|--------------------------------|------------------|----------|--------------------|---------------------------------------|-----------------------|---|-----------------------|
|   |                                |                  |          |                    | No. of Shares                         | % of the Total Shares | No. of Shares                           | % of the Total Shares |
| <b>7. HITESH RAMJI JAVARI</b>                         |                                |                  |          |                    |                                       |                       |   |                       |
|   | At the beginning of the year   | 01.04.2018       | –        | –                  | 800000                                | 0.5959                | 800000                                  | 0.5960                |
|   | Change during the year         |                  |          |                    | –                                     | –                     | 800000                                  | 0.5960                |
|   | At the end of the year         | 31.03.2019       | –        | –                  | 800000                                | 0.5959                | 800000                                  | 0.5960                |
| <b>8. LUCKY STAR ENTERTAINMENT LTD</b>                |                                |                  |          |                    |                                       |                       |   |                       |
|   | At the beginning of the year   | 01.04.2018       | –        | –                  | 672952                                | 0.5013                | 672952                                  | 0.5013                |
|   | Change during the year         | 07.01.2019       | Purchase | 672952             | –                                     | –                     | 1345904                                 | 1.0026                |
|   |                                | 14.01.2019       | Sale     | (672952)           | –                                     | –                     | 672952                                  | 0.5013                |
|   | At the end of the year         | 31.03.2019       | –        | –                  | 672952                                | 0.5013                | 672952                                  | 0.5013                |
| <b>9. BHUPENDER P SHAH – HUF</b>                      |                                |                  |          |                    |                                       |                       |   |                       |
|   | At the beginning of the year   | 01.04.2018       | –        | –                  | 492309                                | 0.3667                | 492309                                  | 0.3668                |
|   | Change during the year         | 04.05.2018       | Purchase | 38320              | –                                     | –                     | 530629                                  | 0.3953                |
|   |                                | 18.05.2018       | Purchase | 9259               | –                                     | –                     | 539888                                  | 0.4022                |
|   |                                | 29.06.2018       | Purchase | 1357               | –                                     | –                     | 541245                                  | 0.4032                |
|   |                                | 03.08.2018       | Purchase | 7320               | –                                     | –                     | 548565                                  | 0.4087                |
|   |                                | 12.10.2018       | Purchase | 62772              | –                                     | –                     | 611337                                  | 0.4554                |
|   |                                | 26.10.2018       | Purchase | 3278               | –                                     | –                     | 614615                                  | 0.4579                |
|   | At the end of the year         | 31.03.2019       | –        | –                  | 614615                                | 0.4578                | 614615                                  | 0.4579                |
| <b>10. RED STRIPE TRADING COMPANY PRIVATE LIMITED</b> |                                |                  |          |                    |                                       |                       |   |                       |
|   | At the beginning of the year   | 01.04.2018       | –        | –                  | 600000                                | 0.4470                | 600000                                  | 0.4470                |
|   | Change during the year         | 07.01.2019       | Purchase | 600000             | –                                     | –                     | 1200000                                 | 0.8940                |
|   |                                | 14.01.2019       | Sale     | (600000)           | –                                     | –                     | 600000                                  | 0.4470                |
|   | At the end of the year         | 31.03.2019       | –        | –                  | 600000                                | 0.4470                | 600000                                  | 0.4470                |

**(v) Shareholding of the Directors and Key Managerial Personnel**

| Sr. No.   | For each of the Directors & KMP  | Shareholding at the Beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|--|---|----------------------------------|---|----------------------------------|
|           |  | No. of Shares                             | % of Total Shares of the Company | No. of Shares                           | % of Total Shares of the Company |
| <b>1.</b> | <b>Aruna Oswal</b>   |   |                                  |   |                                  |
|           | At the beginning of the year   | 56026460                                  | 41.74                            | 56026460                                | 41.74                            |
|           | Date wise Increase/ decrease in shareholding during the year specifying the reasons for increase or decrease | –   | –                                | –                                       | –                                |
|           | At the end of the year   | 56026460                                  | 41.74                            | 56026460                                | 41.74                            |

**V. INDEBTEDNESS**

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole Time Directors and/or Manager (₹ in Lakhs)**

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/Manager  | Total Amount    |
|---------|---|---|-----------------|
|         |   | Bhola Nath Gupta,<br>CEO & Whole Time Director  |                 |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 25.76<br>—<br>—   | 25.76<br>—<br>— |
| 2.      | Stock Option  | —   | —               |
| 3.      | Sweat Equity  | —   | —               |
| 4.      | Commission<br>- as % of profit<br>- others, specify...  | —   | —               |
| 5.      | Others, please specify<br>- Provident Fund<br>- Leave Encashment  | 1.73<br>10.03   | 1.73<br>10.03   |
| 6.      | <b>Total (A)</b>  | <b>37.52</b>  | <b>37.52</b>    |
|         | Ceiling as per the Act  | Within prescribed limit of Section IIA of Part II of Schedule V of Companies Act, 2013, and in terms of Special Resolution passed by the Company. |                 |

**B. Remuneration to other Directors: (in lakhs)**

As on 31<sup>st</sup> March 2019, the Company has three Independent Directors i.e., Smt. Shikha Jain, Shri Mohinder Pal Singh and Shri Ramesh Kumar Khanna and two Non-Executive Non-Independent Directors i.e. Dr. Aruna Oswal and Shri Anil Bhalla but there is no remuneration paid by the company to the Directors other than Whole-time Director of the Company, except sitting fees for the meetings attended by Non-Executive Independent Directors. During the year, Shri Vikram, Shri Pulkit Gupta and Shri Harnish Bindra has resigned from the directorship of the company under review.

| Sr. No. | Particulars of Remuneration   | Name of Directors  |             |             |             |              |                    |                     |                | Total Amount |
|---------|---|--|-------------|-------------|-------------|--------------|--------------------|---------------------|----------------|--------------|
|         |   | Aruna Oswal  | Anil Bhalla | Shikha Jain | Vikram      | Pulkit Gupta | Mohinder Pal Singh | Ramesh Kumar Khanna | Harnish Bindra |              |
| 1.      | <b>Independent Directors</b><br>- Fee for attending Board Committee meetings<br>- Commission<br>- Others, please specify                          | —  | —           | 2.40        | 0.75        | 0.30         | 0.75               | 0.90                | 0.00           | 5.10         |
|         | <b>Total (1)</b>  | —  | —           | <b>2.40</b> | <b>0.75</b> | <b>0.30</b>  | <b>0.75</b>        | <b>0.90</b>         | <b>0.00</b>    | <b>5.10</b>  |
| 2.      | <b>Other Non-Executive Directors/ Non-Independent</b><br>- Fee for attending Board Committee meetings<br>- Commission<br>- Others, please specify | —  | —           | —           | —           | —            | —                  | —                   | —              | —            |
|         | <b>Total(2)</b>   | —  | —           | —           | —           | —            | —                  | —                   | —              | —            |
|         | <b>Total(B)=(1+2)</b>   | —  | —           | <b>2.40</b> | <b>0.75</b> | <b>0.30</b>  | <b>0.75</b>        | <b>0.90</b>         | <b>0.00</b>    | <b>5.10</b>  |
|         | <b>Total Managerial Remuneration (A+B)</b>  |  |             |             |             |              |                    |                     |                | <b>42.62</b> |
|         | <b>Overall Ceiling as per the Act</b>   | Within prescribed limit of Section IIA of Part II of Schedule V of Companies Act, 2013 and in terms of Special Resolution passed by the Company. |             |             |             |              |                    |                     |                |              |

**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD (₹ in Lakhs)**

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel |             | Total Amount |
|---------|---|--------------------------|-------------|--------------|
|         |   | Parveen Chopra, CFO      | Gopal, CS   |              |
| 1.      | Gross salary  |                          |             |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 15.77                    | 3.05        | 18.82        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -           | -            |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -           | -            |
| 2.      | Stock Option  | -                        | -           | -            |
| 3.      | Sweat Equity  | -                        | -           | -            |
| 4.      | Commission  |                          |             |              |
|         | - as % of profit  | -                        | -           | -            |
|         | - others, specify...  | -                        | -           | -            |
| 5.      | Others, please specify  |                          |             |              |
|         | - Provident Fund  | 1.02                     | 0.22        | 1.24         |
|         | - Leave Encashment  | 1.41                     | -           | 1.41         |
| 6.      | <b>Total (A)</b>  | <b>18.20</b>             | <b>3.27</b> | <b>21.47</b> |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/ punishment/ compounding of offences for the year ending March 31<sup>st</sup>, 2019.

**Annexure-III**

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

| Sub-Rules | Particulars   |  |        |
|-----------|---|--|--------|
| (i)       | The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.   | a) Shri Bhola Nath Gupta,<br>Chief Executive Officer & Whole Time Director   | 9.47:1 |
| (ii)      | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.  | a) Shri Bhola Nath Gupta,<br>Chief Executive Officer & Whole Time Director   | 46.78% |
|           |   | b) Shri Parveen Chopra,<br>Chief Financial Officer   | 16.46% |
|           |   | c) Shri Gopal,<br>Company Secretary  | 9.88%  |
| (iii)     | The percentage increase in the median remuneration of employees in the financial year.  |  | 2.91%  |
| (iv)      | The number of permanent employees on the rolls of the Company.  |  | 21     |
| (viii)    | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | During the year, there was no actual increase in the remuneration/ salaries of managerial personnel as well as other employees of the company. The given ratios and percentage increase are based on the changes in total remuneration due to any change in allowances paid on actual basis to managerial personnel or to any employee e.g. payment of LTA, medical allowances, leave encashment or overtime allowances etc. |        |
| (xii)     | It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.   |  |        |



**Particulars of Employees**

| Sl. No. | Name                      | Designation               | Age (Yrs) | Qualification          | Remuneration (Rs. in Lakhs) | Date of Commencement of Current Employment | Experience (Yrs) | Last Employment Held & Designation               |
|---------|---------------------------|---------------------------|-----------|------------------------|-----------------------------|--|------------------|--|
| 1       | Bhola Nath Gupta          | CEO & Whole Time Director | 69        | B. Sc. Agri. Engg. MBA | 37.52                       | 01.04.2014                                 | 45               | GM (Com.), Oswal Greentech Limited               |
| 2       | Mahesh C Rawal            | Manager Accounts          | 61        | C A (Inter), B. Com    | 20.94                       | 01.01.2017                                 | 35               | Accounts Manager, Oswal Greentech Limited        |
| 3       | Parveen Chopra            | CFO                       | 60        | B. Com                 | 18.41                       | 01.04.2014                                 | 38               | Accounts Manager, Oswal Greentech Limited        |
| 4       | T R Jawaharlal            | Officer on Special Duty   | 55        | B. Com (HR)            | 17.57                       | 01.06.2017                                 | 38               | Officer on Special Duty, Oswal Greentech Limited |
| 5       | Gopal                     | Company Secretary         | 25        | CS, B. Com             | 3.27                        | 13.09.2016                                 | 04               | Apprentice, RD & Associates Company Secretaries  |
| 6       | Muktial Bhurtal           | Sr. Assistant             | 58        | Inter                  | 7.30                        | 01.01.2017                                 | 36               | Sr. Assistant, Oswal Greentech Limited           |
| 7       | Vir Bahadur Singh         | Supervisor                | 53        | Inter                  | 6.17                        | 01.01.2017                                 | 26               | Supervisor, Oswal Greentech Limited              |
| 8       | Jayesh Kavalekar          | Chauffeur                 | 48        | Inter                  | 4.79                        | 01.01.2017                                 | 20               | Chauffeur, Oswal Greentech Limited               |
| 9       | Noch Bahadur Mathara      | Assistant                 | 55        | Inter                  | 4.73                        | 01.01.2017                                 | 28               | Assistant, Oswal Greentech Limited               |
| 10      | Vishnu Bhanudas Khulkhule | Sr. Accountant            | 37        | B.com                  | 4.52                        | 01.01.2017                                 | 13               | Sr. Accountant, Oswal Greentech Limited          |
| 11      | Harish K Kotiyan          | Sr. Supervisor            | 61        | B.com                  | 4.20                        | 01.01.2017                                 | 33               | Sr. Supervisor, Oswal Greentech Limited          |

**Notes:**

- Remuneration as shown above includes salary, allowances, medical reimbursement, leave travel assistance, company contribution to provident fund & monetary value of perquisites.
- Appointment of Shri Bhola Nath Gupta is on contractual basis only.

**Annexure-IV**

**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There was no contract or arrangements entered during the year under consideration, which were not at arms' length basis

**2. Details of material contracts or arrangement or transactions at arm's length basis**

**(₹ in thousand)**

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board, if any: | Value of Contacts/ arrangements/ transactions: | Date on which the Special Resolution was passed in General Meeting as required under first proviso to section 188 |
|---|---|---|--|--|---|--|---|
| Oswal Greentech Limited (Group Company)                 | Office Rent and Maintenance paid                | 6 years   | Lease agreement for using the premises of group Company                                    | Mutual contract or arrangement between two same group Companies                | 12.02.2016                                | 930.00   | NA  |

For and on behalf of Board  
Oswal Agro Mills Limited

Place : New Delhi  
Dated : 09.08.2019

Aruna Oswal  
Chairperson  
DIN: 00988524

**POLICY ON APPOINTMENT AND REMUNERATION OF BOARD MEMBERS****Criteria for Board Membership****Directors**

The Company shall take into account following points:

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

**Independent Director**

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

**Remuneration Policy****Directors**

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

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

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

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

**Key Managerial Personnel**

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

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19****1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

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

**2. Projects or programs proposed to be undertaken**

- Eradicating Hunger, Poverty & Malnutrition.
- Preventive Health Care.
- To promote education with an aim to educate children among the weaker section of society.
- Promotion of health awareness & immunity building initiatives.
- To provide residential houses to the weaker section of society.

**The Composition of CSR Committee**

CSR Committee consists of Dr. Aruna Oswal (Chairperson), Shri Anil Bhalla, Non-Executive Director and Smt. Shikha Jain, Non-Executive Independent Director.

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

Profit before tax for last three financial years:

2017-18: ₹ 40,544.42 thousand

2016-17: ₹ (49,177.34) thousand

2015-16: ₹ (142,151.63) thousand

Average net profit: ₹ (50,261.52) thousand

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

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

a. Total amount spents from (April 2018 - March 2019) : ₹ 2,000 Thousand

b. Amount unspent, if any: NIL

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

Not Applicable

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

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

By Order of the Board  
For Oswal Agro Mills Limited

Place : New Delhi  
Dated : 09.08.2019

Aruna Oswal  
Chairperson  
DIN: 00988524

## REPORT ON CORPORATE GOVERNANCE

The Company believes that Corporate Governance is an essential part of business, which helps the company to fulfill its responsibilities towards all its stakeholders. The Company's philosophy on Corporate Governance is to practice transparency in operation and maintain a professional approach in dealing with its stakeholders. The Company continues to focus its resources, strengths and strategies to be forever among the nation's leading real estate companies, while continuing to be the most trusted name in the industry.

It is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The guiding principles and practices are summarised in this Corporate Governance Report. These are articulated through the Company's Code of Conduct for Board of Directors and Senior Management, Policies and Charters of various Committees of the Board and Company's Disclosure Policies. These Policies seek to focus on enhancement of long term shareholder value without compromising on Ethical Standards and Corporate Social Responsibilities.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

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.

A report on the matters and the practice followed by Oswal Agro Mills Limited is detailed herein below:

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

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

OAML's corporate governance practices are shaped by its Board of Directors. The Board is committed to protecting the long term interests of all our stakeholders and considering this, it provides objective and prudent guidance to the Management. Information relating to procedures, composition and committees of the Board is provided below:

#### a) Composition

At present, there are 6 Directors on the Board of the Company. The Board comprises of Executive and Non-Executive Non-Independent Directors and Non-Executive Independent Directors including Women Director. None of the Directors of the Company's Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Director. All the Directors have made necessary disclosures regarding positions held by them in other companies. Further, none of the Board of Directors of the Company holds office of Directorship in more than 20 companies. The composition of the Board is in conformity with the Listing Regulations and having optimum combination of Executive and Non-Executive Directors with at least one Women Director, with not less than fifty percent of the Board comprising of Non-Executive Directors and at least one-half of the Board comprising of Independent Directors. None of the directors of the company has attained the age of seventy-five years and acting as a non-executive director of the company.

#### 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 31<sup>st</sup> March, 2019 and at the last Annual General Meeting is as under:-

| Name of Directors         | DIN No.  | Designation | Category          | No. of Meetings Held | No. of Meetings Attended | No. of Directorship in other Companies | No. of Membership in Board Committees |           | Attendance at the Last AGM |
|---------------------------|----------|-------------|-------------------|----------------------|--------------------------|--|---------------------------------------|-----------|----------------------------|
|                           |          |             |                   |                      |                          |  | As Chairman                           | As Member |                            |
| Dr. Aruna Oswal           | 00988524 | Director    | Promoter/<br>NENI | 7                    | 7                        | 3                                      | 2                                     | 4         | No                         |
| Shri Anil Bhalla          | 00587533 | Director    | NENI              | 7                    | 7                        | 2                                      | 1                                     | 6         | No                         |
| Shri Bhola Nath Gupta     | 00562338 | CEO & WTD   | ENI               | 7                    | 5                        | -                                      | -                                     | -         | Yes                        |
| Smt. Shikha Jain          | 02615074 | Director    | NEI               | 7                    | 7                        | 1                                      | -                                     | 4         | No                         |
| Shri Mohinder Pal Singh*  | 08155393 | Director    | NEI               | 5                    | 2                        | -                                      | 2                                     | -         | Yes                        |
| Shri Ramesh Kumar Khanna* | 08166297 | Director    | NEI               | 5                    | 3                        | -                                      | -                                     | 2         | No                         |
| Shri Vikram**             | 07555192 | Director    | NEI               | 2                    | 2                        | -                                      | -                                     | -         | No                         |
| Shri Harnish Bindra***    | 07112509 | Director    | NEI               | -                    | -                        | -                                      | -                                     | -         | -                          |
| Shri Pulkit Gupta****     | 07026809 | Director    | NEI               | 1                    | 1                        | 2                                      | -                                     | 1         | No                         |

Note: \* Shri Mohinder Pal Singh and Shri Ramesh Kumar Khanna appointed in the company w.e.f. 6<sup>th</sup> July, 2018.

\*\* Shri Vikram, Non-Executive Independent Director resigned from the post of directorship of the company w.e.f. 15<sup>th</sup> June, 2018.

\*\*\* Shri Harnish Bindra, Non-Executive Independent Director resigned from the post of directorship of the company w.e.f. 1<sup>st</sup> May, 2018.

\*\*\*\* Shri Pulkit Gupta, Non-Executive Independent Director has joined the Board of company on 15<sup>th</sup> May, 2018 and also resigned from the directorship w.e.f. 20<sup>th</sup> June, 2018.

The names of the listed entities where the person/Board member of the company is a director and the category of directorship

| Name of Directors        | DIN No.  | Other Directorships       |                                 |
|--------------------------|----------|---------------------------|---------------------------------|
|                          |          | Name of the listed Entity | Category                        |
| Dr. Aruna Oswal          | 00988524 | Oswal Greentech Limited   | Whole-time Director/Chairperson |
| Shri Anil Bhalla         | 00587533 | Oswal Greentech Limited   | CEO and Managing Director       |
| Shri Bhola Nath Gupta    | 00562338 | –                         | –                               |
| Smt. Shikha Jain         | 02615074 | –                         | –                               |
| Shri Mohinder Pal Singh  | 08155393 | –                         | –                               |
| Shri Ramesh Kumar Khanna | 08166297 | –                         | –                               |
| Shri Vikram              | 07555192 | –                         | –                               |
| Shri Harnish Bindra      | 07112509 | –                         | –                               |
| Shri Pulkit Gupta        | 07026809 | –                         | –                               |

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

During the year under review Seven Board Meetings were held on 15.05.2018, 25.05.2018, 06.07.2018, 04.08.2018, 16.08.2018, 13.11.2018 and 05.02.2019. The maximum time gaps between two consecutive Board Meetings are not more than four calendar months.

In addition to above, during the financial year 2018-19 the Independent Directors met at once on 5<sup>th</sup> February 2019 in order to inter-alia, review the performance of Non-Independent Directors including that of the Chairperson taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the Independent Directors attended the said meeting.

**d) Relationship between Directors inter-se:**

No Director of the Company is related to any other Director on the Board.

**e) Certificate from Company Secretary in practice:**

A certificate from M/s. C T & Co., Company Secretaries in practice, that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

**f) Board's Procedures**

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

**g) Number of shares and convertible instruments held by non-executive directors:**

As on 31<sup>st</sup> March 2019, the Company has issued 13,42,34,776 Equity Shares having face value of Rs.10/- per share. The company has not issued any convertible instruments till date.

| S.No. | Name of Directors        | DIN      | Equity Shares held as on March 31, 2019 |
|-------|--------------------------|----------|---|
| 1     | Dr. Aruna Oswal          | 00988524 | 5,60,26,460 Shares (41.74%)             |
| 2     | Shri Anil Bhalla         | 00587533 | –                                       |
| 3     | Shri Bhola Nath Gupta    | 00562338 | –                                       |
| 4     | Smt. Shikha Jain         | 02615074 | –                                       |
| 5     | Shri Mohinder Pal Singh  | 08155393 | –                                       |
| 6     | Shri Ramesh Kumar Khanna | 08166297 | –                                       |
| 7     | Shri Vikram*             | 07555192 | –                                       |
| 8     | Shri Harnish Bindra**    | 07112509 | –                                       |
| 9.    | Shri Pulkit Gupta***     | 07026809 | –                                       |

**Note:** \* Shri Vikram ceased to be the director of the company w.e.f. 15<sup>th</sup> June, 2018.

\*\* Shri Harnish Bindra ceased to be the director of the company w.e.f. 1<sup>st</sup> May, 2018.

\*\*\*Shri Pulkit Gupta, ceased to be the director of the company w.e.f. 20<sup>th</sup> June, 2018.

**h) Familiarization Program for Independent Directors**

The Company has conducted the familiarisation program for Independent Directors during the year. The Program aims to provide insights of the Company to the Independent Directors which also extends to Non-Executive Directors before their joining, so as to enable them to understand the Company, operations of its business, subsidiaries, associates, industry and environment in which the Company functions and also to update them on a continuing basis on any significant changes therein so as to be in a position to take well-informed and take timely decisions. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at [https://www.oswalagromills.com/policy/Familiarization\\_Program.pdf](https://www.oswalagromills.com/policy/Familiarization_Program.pdf)

**i) Independent Directors**

As on 31<sup>st</sup> March 2019, there were 3 Independent directors in the company viz. Smt. Shikha Jain, Shri Mohinder Pal Singh and Shri Ramesh Kumar Khanna. They have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI LODR Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI LODR Regulations and that they are independent of the management.

During the year, Shri Pulkit Gupta, Shri Vikram and Shri Harnish Bindra have resigned from the board of directors of the company before the expiry of their tenure due to their pre-occupations and engagement in other business activities. The company has also confirmed that there are no other material reasons of resignation of all outgoing Independent Directors other than those provided herein.

**j) Skills, expertise and competence of the board of directors**

The skills and expertise required from individuals for the office of Directors of the Company are:

1. Strategy & Business Leadership - Ability to identify and assess strategic opportunities and threats in the context of the business.
2. Sector Expertise - Expertise with respect to the sector the organization operates in. Ability to recognize the development of industry segments, trends, emerging issues and opportunities.
3. Market Expertise - Expertise with respect to the geography the organization operates in. Understanding of the micro and macro-economic environment and the knowledge of the regulations & legislations of the market/(s) the business operates in.
4. Human Resource Management - Experience in human resource management such that they bring in a considered approach to the effective management of people in an organization.
5. Corporate law - Expert knowledge of corporate law and related laws.
6. Governance, Finance & Risk - Understanding of Business and Corporate Governance principles. Ability to identify key risks areas for the business in a wide range of areas including legal and regulatory.
7. Basic understanding of Finance and Business.

**COMMITTEES OF THE BOARD**

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

- 1) Audit Committee
- 2) Stakeholders' Relationship Committee
- 3) Nomination & Remuneration Committee

**AUDIT COMMITTEE**

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

The Audit committee of the Board inter-alia, provides re-assurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

**(a) The objects of constitution of the Audit Committee include:**

**The broad terms of reference are as under:-**

- i. Oversight of the Company's financial reporting process, and disclosure of financial information, so as to ensure accuracy of information.
- ii. Recommending to the Board, the appointment, 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 134 (5) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and the reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the Management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related-party transactions; and
  - Qualifications in the draft Audit Report.
  - 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/Vigil Mechanism, vii. Mandatorily reviewing the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related-party transactions;
  - Management letters/letters of internal control weakness issued by the statutory auditors;
  - Internal Audit Report relating to internal control weakness; and
  - Appointment, removal and terms of remuneration of the Internal Auditor(s)

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

The Audit Committee comprises of Non-Executive Non-Independent (NENI) and Non-Executive Independent Directors (NEID) viz. Dr. Aruna Oswal, Smt. Shikha Jain, Shri Ramesh Kumar Khanna and Shri Mohinder Pal Singh. The Audit Committee Meeting was Chaired by an Independent Director in respective meeting. The composition of Audit Committee as on 31<sup>st</sup> March 2019 is as under: -

| <b>Name of Directors</b>  | <b>Position</b> | <b>Category</b> |
|---------------------------|-----------------|-----------------|
| Shri Mohinder Pal Singh*  | Chairperson     | NEID            |
| Dr. Aruna Oswal           | Member          | NENI            |
| Smt. Shikha Jain          | Member          | NEID            |
| Shri Ramesh Kumar Khanna* | Member          | NEID            |

**Note:**

1. Shri Mohinder Pal Singh and Shri Ramesh Kumar Khanna were appointed on the Board of the company w.e.f. 6<sup>th</sup> July 2018 and become the members of audit committee on that date.
2. Shri Pulkit Gupta was appointed on the Board of the company w.e.f. 15<sup>th</sup> April 2018 and become the member of the committee on that date. Thereafter, he has resigned from directorship as well as from the membership of the committee w.e.f. 20<sup>th</sup> June 2018. He has attended one meeting of Audit Committee held on 25<sup>th</sup> day of May 2018.
3. Shri Vikram has resigned from directorship as well as from the membership of the committee w.e.f. 15<sup>th</sup> June 2018. He has also attended one meeting of Audit Committee held on 25<sup>th</sup> day of May 2018.
4. Shri Harnish Bindra (Chairman of the committee) has resigned from directorship as well as from the membership of the committee w.e.f. 1<sup>st</sup> May 2018. Smt. Shikha Jain was the Chairperson of the audit committee meeting held on 25<sup>th</sup> day of May 2018. Thereafter, Shri Mohinder Pal Singh was appointed as the regular Chairperson of the committee.

All the members of the Audit Committee are highly knowledgeable in the Corporate, Finance, Accounts and Company Law matters. The Statutory Auditors and Internal Auditors were 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 25.05.2018, 04.08.2018, 13.11.2018 and 05.02.2019. The name of Members and their attendance at the Audit Committee Meeting as at 31<sup>st</sup> March, 2019, is as under:

| <b>Name of Directors</b> | <b>Category</b> | <b>Meetings Attended</b> |
|--------------------------|-----------------|--------------------------|
| Dr. Aruna Oswal          | NENI            | 4                        |
| Smt. Shikha Jain         | NEI             | 4                        |
| Shri Mohinder Pal Singh  | NEI             | 2                        |
| Shri Ramesh Kumar Khanna | NEI             | 2                        |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**(a) Terms of Reference**

The terms of reference of the Stakeholders' Relationship Committee is to look into the redressal of shareholders and investors complaints relating to transfer, transmission, Demat/Remat requests of shares, non-receipt of Annual Reports, non-receipt of declared dividends and other related matters.

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

As on year ended date, the Stakeholders' Relationship Committee consists of Executive, Non-Executive and Independent Directors viz. Shri Anil Bhalla, Shri Bhola Nath Gupta and Smt. Shikha Jain. Shri Anil Bhalla, Non-Executive Non-Independent Director of the Company is heading the committee. Gopal, Company Secretary of the Company acts as the Compliance Officer of the committee.

**(c) Attendance during the year**

The Stakeholders' Relationship Committee met twice during the year on 15.05.2018 and 12.11.2018. The names of Members and their attendance at the Committee meeting is as under:

| Name of Directors     | Category                      | Meetings Attended |
|-----------------------|-------------------------------|-------------------|
| Shri Anil Bhalla      | Non-Executive Non-Independent | 2                 |
| Shri Bhola Nath Gupta | Executive and Non-Independent | 1                 |
| Smt. Shikha Jain*     | Non-executive Independent     | 1                 |

**Note:** \* Smt. Shikha Jain became the member of the committee w.e.f. 15<sup>th</sup> May 2018

\*\* Shri Harnish Bindra and Shri Vikram has resigned from the committee during the year. Shri Vikram has attended one of the committee meeting held on 15<sup>th</sup> day of May 2018.

**(d) Details of Complaints**

During the financial year, the status of the complaints received and cleared were as follows:

| No. of complaints received during 01.04.2018 to 31.03.2019 | No. of complaints resolved to the satisfaction of shareholders | No. of pending transfer of shares |
|--|--|-----------------------------------|
| 13   | 13   | NIL*                              |

\*As on date, there are no shares pending for transfer except disputed cases or where restrain order is still pending.

**NOMINATION & REMUNERATION COMMITTEE (NRC)**

The Nomination and Remuneration Committee ('NRC') is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations read with section 178 of the Companies Act, 2013. The purpose of the NRC is to oversee the company's nomination process for the Senior Management and specifically to assist the Board in succession planning and to identify, screen and review individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its policy on appointment and removal of directors.

The Committee also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for executive directors and the Senior Management. The committee co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of the individual Directors.

**Composition and name of members**

As on 31<sup>st</sup> March, 2019 the Nomination and Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations, with all Directors being Non-Executives and at least fifty percent of them being Independent Directors. The composition of Nomination & Remuneration Committee as on 31<sup>st</sup> March 2019 is as under:

| S. No. | Name of Members                       | Designation                            |
|--------|---------------------------------------|--|
| 1.     | Shri Mohinder Pal Singh (Chairperson) | Non-Executive Independent Director     |
| 2.     | Dr. Aruna Oswal                       | Non-Executive Non-Independent Director |
| 3.     | Shri Anil Bhalla                      | Non-Executive Non-Independent Director |
| 4.     | Smt. Shikha Jain                      | Non-Executive Independent Director     |

During the financial year 2018-2019, two meetings of the Nomination & Remuneration Committee was held on 15<sup>th</sup> May, 2018 and 16<sup>th</sup> August, 2018.

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

| S. No. | Name of Members                        | Category | Number of meeting attended |
|--------|--|----------|----------------------------|
| 1.     | Shri Mohinder Pal Singh (Chairperson)* | NEI      | –                          |
| 2.     | Dr. Aruna Oswal                        | NENI     | 2                          |
| 3.     | Shri Anil Bhalla                       | NENI     | 2                          |
| 4.     | Shri Vikram**                          | NEI      | 1                          |
| 5.     | Smt. Shikha Jain                       | NEI      | 2                          |

\* Shri Mohinder Pal Singh became the member of the committee w.e.f. 6<sup>th</sup> July, 2018.

\*\*Shri Vikram ceased to be the director of the company w.e.f. 15<sup>th</sup> June, 2018.



The remuneration paid to the directors during the financial year were reviewed by the committee.

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

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

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

The service contract of the Executive Director & Chief Executive Officer of the Company is for a period of three years, with a notice period of three months. All independent directors are appointed for a period of 5 years commencing from the original date of their appointment.

#### Remuneration Policy

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

Details of remuneration/sitting fees paid to Directors of the Company during the financial year ended March 31<sup>st</sup> 2019 are given below:

(₹ in lakh)

| S No. | Name of the Directors    | Salary | Company's contribution to Provident Fund | Allowances/ Perquisites | Sitting fee for attending Board/Committee Meetings |
|-------|--------------------------|--------|--|-------------------------|--|
| 1.    | Shri Bholu Nath Gupta    | 25.76  | 1.73                                     | 10.03                   | –  |
| 2.    | Smt. Shikha Jain         | –      | –  | –                       | 2.40   |
| 3.    | Shri Mohinder Pal Singh  | –      | –  | –                       | 0.75   |
| 4.    | Shri Ramesh Kumar Khanna | –      | –  | –                       | 0.90   |
| 5.    | Shri Vikram              | –      | –  | –                       | 0.75   |
| 6.    | Shri Pulkit Gupta        | –      | –  | –                       | 0.30   |
| 7.    | Shri Harnish Bindra      | –      | –  | –                       | 0.00   |

**The Criteria for evaluation of performance of Independent Directors and the Board are as follows:**

#### Executive Director:

The Executive Director shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

#### Non-Executive Directors (including Independent Directors):

The Non-Executive Directors (including Independent Directors) shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## 2. OTHER COMMITTEE

#### Corporate Social Responsibility Committee

The purpose of our Corporate Social Responsibility and sustainability ('CSR') Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount

of expenditure the Company should incur on CSR activities and to monitor from time to time the CSR activities and Policy of the company. The Committee provides guidance in formulation of CSR strategy and its implementation and also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with long term preservation and enhancement of financial, manufactured, natural, social, intellectual and human capital.

The Board has constituted the Corporate Social Responsibility Committee ("CSR") in compliance of Section 135 of the Companies Act, 2013. The composition of CSR Committee as on 31<sup>st</sup> March, 2019 is given in Annexure-VI of Board Report attached in the Annual Report of the Company.

#### **Share Transfer Committee**

The Board has constituted a Share Transfer Committee ("STC") which looks after all the compliances regarding transfer of shares, issuance of duplicate share certificates, rematerialization/dematerialization of Shares, transmission of shares and other shares related activities on frequent basis.

### **3. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

| <b>For the Year</b>              | <b>2015-16</b>  | <b>2016-17</b>   | <b>2017-18</b>   |
|----------------------------------|---|--|--|
| <b>Annual General Meeting</b>    | 36 <sup>th</sup>  | 37 <sup>th</sup>   | 38 <sup>th</sup>   |
| <b>Date &amp; Time</b>           | 29.09.2016 & 12.30 P.M.   | 28.09.2017 & 12.30 P.M.  | 27.09.2018 & 12.30 P.M.  |
| <b>Venue</b>                     | Near Jain Colony,<br>Vijay Inder Nagar, Daba Road,<br>Ludhiana-141003 (Punjab)  | Near Jain Colony,<br>Vijay Inder Nagar, Daba Road,<br>Ludhiana-141003 (Punjab) | Near Jain Colony,<br>Vijay Inder Nagar, Daba Road,<br>Ludhiana-141003 (Punjab)   |
| <b>Special Resolution Passed</b> | Yes<br>Appointment and fixation of<br>Remuneration of Shri Bhola Nath<br>Gupta (DIN 00562338) as CEO and<br>Whole Time Director | NA   | Yes<br>Authority to give loans, guarantee<br>and/or make investment under<br>section 186 of the Companies<br>Act, 2013, read with rules. |

4. There was no special resolution put through postal ballot in the last Annual General Meeting (AGM) of the Company held on 27.09.2018. As on date, no special resolution is proposed to be conducted through postal ballot in the ensuing AGM.

### **5. 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 as set out in the Notes on Accounts, forming part of Annual Report.
- ii. During the last three years the company has not made any non-compliance, no penalties were levied, no strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to the capital markets.
- iii. The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-para (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report. About the Non-mandatory requirements, the Company will endeavor to implement them to the extent possible.

- iv. The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provision of the Act. The Company has uniformly applied the Accounting Policies during the period presented. Kindly refer to note no. 2 of the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.
- v. The subsidiary of the Company namely M/s. 'Oswal Overseas Ltd.' at UAE has been liquidated w.e.f. 28<sup>th</sup> February, 2018.
- 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/Vigil Mechanism Policy:** The Company has adopted a Whistle Blower Policy/Vigil Mechanism Policy and has established the necessary mechanism for employees to report to the management, concerns, about unethical behavior or actual or suspected fraud or violation of the company's code of conduct or ethics policy and compliance mechanism under SEBI (Insider Trading) Regulation 1992 and 2015. Further, no member of staff has been denied access to the Audit Committee.
- viii. **Compliance with Mandatory Requirements**

The Company has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2018-19. Quarterly compliance report on Corporate Governance, in the prescribed format, duly signed by the Compliance Officer is submitted regularly with the Stock Exchanges where the shares of the Company are listed.

ix. **Adoption of Discretionary Requirements**

• **Maintenance of the Chairperson's Office**

The Company maintains the office of Non-Executive Chairperson and provides for reimbursement of expenses incurred in performance of her duties, if required.

• **Modified opinion(s) in Audit Report**

The auditors have expressed an unmodified opinion on the financial statements of the Company

• **Separate posts of Chairperson and CEO**

Separate persons have been appointed by the Company to the post of Chairperson and CEO.

• **Reporting of Internal Auditors**

The Internal Auditors of the Company report directly to the Audit Committee.

x. **Policy for determining Material Subsidiary**

As required under SEBI LODR Regulations, the Company has formulated a Policy for determining 'material' subsidiaries which has been put up on the website of the Company at [https://www.oswalagromills.com/policy/POLICY\\_FOR\\_DETERMINING\\_MATERIAL\\_SUBSIDIARY.pdf](https://www.oswalagromills.com/policy/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARY.pdf)

xi. **Materially significant related party transaction**

All transactions entered into during the financial year 2018-19 with Related Parties as defined under the Act and SEBI LODR Regulations were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts - Note No. 37 forming part of the Standalone financial statements. As required under Regulation 23 of SEBI LODR Regulations, the Company has formulated a Related Party Transaction's Policy which is available on the website of the Company at [https://www.oswalagromills.com/policy/Related%20Party%20Transaction\\_OAML.pdf](https://www.oswalagromills.com/policy/Related%20Party%20Transaction_OAML.pdf)

xii. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the company.

The following is a summary of sexual harassment complaints received and disposed of during the year:

|   |       |
|---|-------|
| (a) Number of complaints pending at the beginning of the year | - Nil |
| (b) Number of complaints received during the year             | - Nil |
| (c) Number of complaints disposed off during the year         | - Nil |
| (d) Number of cases pending at the end of the year            | - Nil |

xiii. **The commodity price risk or foreign exchange risk and hedging activities**

There is no hedging activity undertaken by the company as the company is not majorly involved in Foreign Exchange Transactions.

xiv. **Details of utilisation of funds raised through preferential issue**

The company has not raised any funds through preferential issue during the year ended 31<sup>st</sup> March 2019.

xv. **Audit Fees**

The company has paid ₹ 5,90,000 towards audit fee to the statutory auditors during the financial year 2018-19. No amount was paid towards any other services to the firm of statutory auditors or its network firms.

xvi. **The Board of directors of the company had accepted all the recommendations made by any of the committee of the board during the year ended 31<sup>st</sup> March 2019.**

xvii. **Details of Demat Suspense Account**

As per Part F of Schedule V of SEBI LODR Regulations, there is no such share which is in the demat suspense account or unclaimed suspense account of the company.

xviii. **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

**6. CEO/CFO CERTIFICATE**

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the CEO and CFO have given appropriate certifications to the Board of Directors in their meeting held on 24.05.2019.

**7. CODE OF CONDUCT**

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis in compliance with the applicable laws, rules and regulations and the Articles of Association of the Company.

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

A brief resume of the director proposed to be appointed/re-appointed, the nature of his expertise in specific functional areas, names of companies in which he has Directorships, Committee Memberships/ Chairmanships, his shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

**9. MEANS OF COMMUNICATION**

The Quarterly Financial Results of the Company are generally published in Ajit (Punjabi Edition) and The Pioneer (English Edition). Company has also displayed its quarterly/annual results on its website on www.oswalagromills.com. Further, the annual reports containing audited standalone and consolidated financial statements of the Company together with Directors' Report, Auditors' Report and other important information are circulated to the members and others entitled thereto.

**10. GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting during Financial Year 2019-20 is propose to be held:

|                   |  |
|-------------------|--|
| Date & Time       | : 25 <sup>th</sup> September, 2019 at 12.00 Noon   |
| Day               | : Wednesday  |
| Venue             | : Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)                               |
| Book Closure Date | : 19 <sup>th</sup> September, 2019 to 25 <sup>th</sup> September, 2019 (both days inclusive)             |
| Dividend Payment  | : The Directors have not proposed any dividend for the financial year ended 31 <sup>st</sup> March, 2019 |

**11. (a) Financial Calendar**

For the financial year ended 31<sup>st</sup> March, 2019, results were announced on:

| For the quarter ended | Date                           |
|-----------------------|--------------------------------|
| 30.06.2018            | 4 <sup>th</sup> August 2018    |
| 30.09.2018            | 13 <sup>th</sup> November 2018 |
| 31.12.2018            | 5 <sup>th</sup> February 2019  |
| 31.03.2019            | 24 <sup>th</sup> May 2019      |

For the financial year ending March 31, 2020 results will be announced tentatively (subject to change) by:

| For the quarter ended       | Tentative Dates                       |
|-----------------------------|---------------------------------------|
| 30.06.2019                  | 2 <sup>nd</sup> week of August 2019   |
| 30.09.2019                  | 2 <sup>nd</sup> week of November 2019 |
| 31.12.2019                  | 2 <sup>nd</sup> week of February 2020 |
| 31.03.2020                  | 4 <sup>th</sup> week of May 2020      |
| Next Annual General Meeting | Last week of September 2020           |

**(b) Dividend Payment Date**

The Board has not recommended any dividend for the financial year ended March 31, 2019.

**(c) Listing at Stock Exchanges**

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

| Name of Stock Exchanges                      | Scrip Code    |
|--|---------------|
| Bombay Stock Exchange Ltd.                   | 500317        |
| The National Stock Exchange of India Ltd.    | OSWALAGRO     |
| The Delhi Stock Exchange Ltd.                | 00037         |
| The U.P Stock Exchange Association Ltd.      | Not Available |
| The Calcutta Stock Exchange Association Ltd. | Not Available |
| Madras Stock Exchange Ltd.                   | OswalAgro     |
| The Ahmedabad Stock Exchange Ltd.            | Not Available |

The Annual Listing Fee for the year 2019-20 has been paid to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The rest of the stock exchanges are inactive.

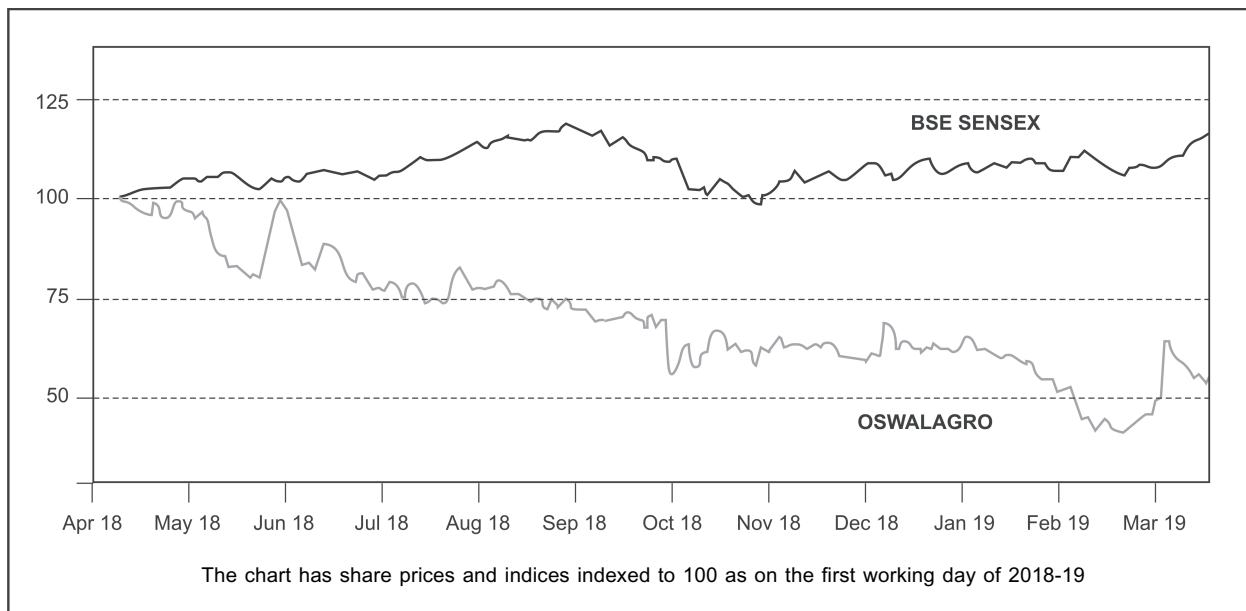
**(d) Market Price Data**

The market price data (high/low) during the financial year 2018-19 is given hereunder:

**April, 2018 to March, 2019 (Month wise) National Stock Exchange and Bombay Stock Exchange.**

| 1 <sup>st</sup> APRIL 2018 to<br>31 <sup>st</sup> MARCH 2019 | NSE LIMITED, MUMBAI |       | BSE LIMITED, MUMBAI |       |
|--|---------------------|-------|---------------------|-------|
|  | HIGH                | LOW   | HIGH                | LOW   |
| April 2018   | 13.80               | 12.00 | 13.50               | 12.10 |
| May 2018   | 13.35               | 10.65 | 13.30               | 10.60 |
| June 2018  | 13.05               | 10.10 | 13.00               | 10.11 |
| July 2018  | 11.95               | 9.40  | 12.20               | 9.65  |
| August 2018  | 11.75               | 9.40  | 11.99               | 9.15  |
| September 2018   | 11.50               | 7.95  | 11.40               | 8.00  |
| October 2018   | 11.00               | 8.15  | 11.00               | 8.00  |
| November 2018  | 9.60                | 8.50  | 10.60               | 8.50  |
| December 2018  | 10.50               | 8.20  | 10.74               | 8.50  |
| January 2019   | 10.00               | 7.55  | 9.94                | 7.63  |
| February 2019  | 9.00                | 6.50  | 8.30                | 5.87  |
| March 2019   | 10.00               | 7.05  | 10.20               | 7.16  |

**Chart :** Comparison of Oswal Agro Mills Limited Share in relation to BSE SENSEX



**(e) Distribution of Shareholding as on 31.03.2019**

| No. of Shares   | No. of Shares Held | %             | No. of Shareholders | %             |
|-----------------|--------------------|---------------|---------------------|---------------|
| 1 - 500         | 21157350           | 15.76         | 182792              | 93.31         |
| 501 - 1000      | 5768084            | 4.30          | 7828                | 4.00          |
| 1001 - 2000     | 4263151            | 3.18          | 2974                | 1.52          |
| 2001 - 3000     | 1927479            | 1.44          | 769                 | 0.39          |
| 3001 - 4000     | 1300661            | 0.97          | 368                 | 0.19          |
| 4001 - 5000     | 1211380            | 0.90          | 261                 | 0.13          |
| 5001 - 10000    | 3151700            | 2.35          | 435                 | 0.22          |
| 10001 and above | 95454971           | 71.11         | 480                 | 0.25          |
| <b>TOTAL</b>    | <b>134234776</b>   | <b>100.00</b> | <b>195907</b>       | <b>100.00</b> |

**(f) SHAREHOLDING PATTERN AS ON 31.03.2019**

| Category   | No. of Shares Held | % of Shareholding |
|--|--------------------|-------------------|
| A Promoters and Associates                       | 56033682           | 41.74             |
| B Banks, Financial Institutions and Mutual Funds | 3499469            | 2.61              |
| C Indian Public                                  | 73577431           | 54.81             |
| D NRI/OCB/FII's/FPIs                             | 1124194            | 0.84              |
| <b>TOTAL</b>                                     | <b>134234776</b>   | <b>100.00</b>     |

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

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

M/s Skyline Financial Services Private Limited  
D-153/A, First Floor, Okhla Industrial Area, Phase-I  
New Delhi-110020  
Phone No. +91-11-40450193-97  
Email ID: sparmar@skylinerta.com, Website: www.skylinerta.com

**(h) Compliance Officer**

Shri Gopal, Company Secretary is Compliance Officer of the Company.  
Email: cs@oswalagromills.com, Website: www.oswalagromills.com

**(i) Share Transfer System**

The Shares of the Company fall under the Category of compulsory demat form for all the investors. The Share Transfer requests received in physical/demat form are processed and returned to the shareholders within stipulated time by the Registrar and Share transfer Agent of the Company.

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

The equity shares of the Company fall under the category of compulsory dematerialized form and are available in the Depository system of both NSDL and CDSL, for all the investors. About 81.42% of the Equity shares (109296618 equity shares) of the company have been dematerialized up to 31<sup>st</sup> March, 2019. The ISIN No is INE-142A01012 for both NSDL and CDSL.

**(k) Plant location**

As on date, there is no plant exists for the Company.

**(l) Foreign Exchange Risk and Hedging Activities**

There is no hedging activity undertaken by the Company as the company is not majorly involved in foreign exchange transactions.

**(m) Reconciliation of Share Capital Audit**

CT & Company, an independent firm of practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the Re-reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Stakeholders' Relationship Committee of the Board.

**(n) 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.

**(o) Details of Public Funding Obtained in last three years**

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

**(p) Address for Correspondence**

Oswal Agro Mills Limited  
CIN-L15319PB1979PLC012267

**Registered Office:**

Oswal Agro Mills Limited  
Near Jain Colony, Vijay Inder Nagar,  
Daba Road, Ludhiana-141 003 (Punjab)  
Phone No. +91-161-2544313  
Website: www.oswalagromills.com

**Head Office:**

Oswal Agro Mills Limited  
7<sup>th</sup> Floor, Antriksh Bhawan,  
22, K.G. Marg, New Delhi-110001  
Phone No. +91-11-23753652  
Fax No. +91-11-23716276  
Email ID: oswal@oswalagromills.com

For and on behalf of Board  
Oswal Agro Mills Limited

Place : New Delhi  
Dated : 09.08.2019

Aruna Oswal  
Chairperson  
DIN : 00988524

**CERTIFICATES**

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

**DECLARATION**

I declare that all Board Members and Senior Management personnel of the Company have affirmed compliance with the code of conduct of board of directors and senior management, for the Financial Year 2018-19.

Place : New Delhi  
Date : 09.08.2019

**Bhola Nath Gupta**  
CEO & Whole Time Director

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

To  
The Members "**Oswal Agro Mills Limited**"

We have examined the compliance of conditions of Corporate Governance by Oswal Agro Mills Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31<sup>st</sup> March, 2019.

We 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.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For CT & Company  
Company Secretaries

**Shivam Garg**  
Partner  
COP 16406  
Membership No. 44577

Place : New Delhi  
Date : 09.08.2019

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*[Pursuant to Schedule V Para C clause 10 of the SEBI (LODR), 2015]*

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

We have examined declarations/written representations received from the Directors by Oswal Agro Mills Limited ('the Company') and other relevant registers, records, forms, returns of the Company.

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other statutory authority for the financial year ending on 31<sup>st</sup> March, 2019.

For CT & Company  
Company Secretaries

**Shivam Garg**  
Partner

COP 16406

Membership No. 44577

Place : New Delhi  
Date : 09.08.2019

**THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2) OF SEBI LODR REGULATIONS**

**ANNUAL AFFIRMATIONS**

| Sr. No. | Particulars   | Regulation Number       | Compliance status (Yes/No/NA) |
|---------|---|-------------------------|-------------------------------|
| 1       | Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6)        | Yes                           |
| 2       | Board composition   | 17(1)                   | Yes                           |
| 3       | Meeting of Board of directors   | 17(2)                   | Yes                           |
| 4       | Review of Compliance Reports  | 17(3)                   | Yes                           |
| 5       | Plans for orderly succession for appointments   | 17(4)                   | Yes                           |
| 6       | Code of Conduct   | 17(5)                   | Yes                           |
| 7       | Fees/compensation   | 17(6)                   | Yes                           |
| 8       | Minimum Information   | 17(7)                   | Yes                           |
| 9       | Compliance Certificate  | 17(8)                   | Yes                           |
| 10      | Risk Assessment & Management  | 17(9)                   | Yes                           |
| 11      | Performance Evaluation of Independent Directors   | 17(10)                  | Yes                           |
| 12      | Composition of Audit Committee  | 18(1)                   | Yes                           |
| 13      | Meeting of Audit Committee  | 18(2)                   | Yes                           |
| 14      | Composition of nomination & remuneration committee  | 19(1) & (2)             | Yes                           |
| 15      | Composition of Stakeholder Relationship Committee   | 20(1) & (2)             | Yes                           |
| 16      | Composition and role of risk management committee   | 21(1),(2),(3),(4)       | NA                            |
| 17      | Vigil Mechanism   | 22                      | Yes                           |
| 18      | Policy for related party Transaction  | 23(1),(5),(6),(7) & (8) | Yes                           |
| 19      | Prior or Omnibus approval of Audit Committee for all related party transactions                                   | 23(2), (3)              | NA                            |
| 20      | Approval for material related party transactions  | 23(4)                   | NA                            |
| 21      | Composition of Board of Directors of unlisted material Subsidiary   | 24(1)                   | NA                            |



| Sr. No. | Particulars   | Regulation Number       | Compliance status (Yes/No/NA) |
|---------|---|-------------------------|-------------------------------|
| 22      | Other Corporate Governance requirements with respect to subsidiary of listed entity                               | 24(2),(3),(4),(5) & (6) | Yes                           |
| 23      | Maximum Directorship & Tenure   | 25(1) & (2)             | Yes                           |
| 24      | Meeting of independent directors  | 25(3) & (4)             | Yes                           |
| 25      | Familiarization of independent directors  | 25(7)                   | Yes                           |
| 26      | Memberships in Committees   | 26(1)                   | Yes                           |
| 27      | Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3)                   | Yes                           |
| 28      | Disclosure of Shareholding by Non-Executive Directors   | 26(4)                   | Yes                           |
| 29      | Policy with respect to Obligations of directors and senior management   | 26(2) & 26(5)           | Yes                           |

**DISCLOSURE ON WEBSITE IN TERMS OF REGULATION 46(2) OF SEBI LODR REGULATIONS**

| Sr. No. | Subject  | Compliance status (Yes/No) |
|---------|--|----------------------------|
| 1       | Details of business  | Yes                        |
| 2       | Terms and conditions of appointment of independent directors   | Yes                        |
| 3       | Composition of various committees of board of directors  | Yes                        |
| 4       | Code of conduct of board of directors and senior management personnel  | Yes                        |
| 5       | Details of establishment of vigil mechanism/Whistle Blower policy  | Yes                        |
| 6       | Criteria of making payments to non-executive directors   | Yes                        |
| 7       | Policy on dealing with related party transactions  | Yes                        |
| 8       | Policy for determining 'material' subsidiaries   | Yes                        |
| 9       | Details of familiarization programmes imparted to independent directors  | Yes                        |
| 10      | Contact information of the designated officials of the listed entity who are responsible for assisting and handling investorgrievances | Yes                        |
| 11      | email address for grievance redressal and other relevant details   | Yes                        |
| 12      | Financial results  | Yes                        |
| 13      | Shareholding pattern   | Yes                        |
| 14      | Details of agreements entered into with the media companies and/or their associates  | NA                         |
| 15      | New name and the old name of the listed entity   | NA                         |

## Management Discussion and Analysis

### Introduction

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

### Market Size

Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

### Investments/Developments

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Institutional investments in India's real estate are expected to reach US\$ 5.5 billion for 2018, the highest in a decade. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 25.04 billion in the period April 2000-March 2019.

### Government Initiatives

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- Under the Pradhan Mantri Awas Yojana (PMAY) Urban, more than 8.09 million houses have been sanctioned up to May 2019.
- In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US\$ 9.27 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

### Road Ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion (US\$ 19.65 billion) in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

### OVERVIEW

The Company always adhere to achieve best in the industry and try to optimize the cost and its efficiency level which translating into profit margins. The Company has not generated any revenue during the year under review. The company is looking for various business opportunities in the real estate and investment sector. The future business outlook of the company seems bright.

### SEGMENTWISE PERFORMANCE

During the year ended 31<sup>st</sup> March 2019, 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. 38 of Notes of Accounts, forming part of the Annual Report.

### SUBSIDIARY COMPANY AND ASSOCIATES COMPANY

#### SUBSIDIARY

There is no subsidiary of the company within the meaning of Section 2(87) of the Companies Act 2013 ("Act").

#### ASSOCIATE

The company has one associate namely M/s Oswal Greentech Limited.

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

The relation with employees remains cordial throughout the year.

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

We have implemented an internal control framework to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of financial statements of the company and eliminates the possibility of frauds.

The Company has instituted adequate internal control procedure(s) commensurate with the nature of its business and the size of its operations for the smooth conduct of its business. Internal audit is conducted continually, at all locations and covers the key areas of operations. It is an independent, objective and assurance function, responsible for evaluating and improving the control and governance processes. The Internal Auditors do not have any adverse comments on the internal control systems of the Company.

## **RISKS & CONCERNS**

Risks and threats are imminent part of any business. The Company has adequate and appropriate systems in place to ensure that the impacts of these risks are minimized and interest of the company are protected. Also, based on the operations of the Company, risks are identified and steps are taken to mitigate them.

Your company at present is exposed to the normal industry risk factor of volatility in Real estate sector and the environment with which it operates including inter alia material risk, human resources risk, execution risk and any significant downturn in the economic cycle.

## **OPPORTUNITIES AND OUTLOOK**

The Company is exploring the possibilities of undertaking some real estate projects, the outlook for which seems to be quite encouraging. The Company is cautiously optimistic in its outlook for the year 2018-19.

## **RISK MANAGEMENT**

The Company recognizes the importance of risk management and has invested in appropriate processes, people and management structure. Towards this end, the Board of Directors had reviewed the Risk Management Policy towards implementation of its risk management strategy and to review the systems used to manage and identify risks faced by your Company. The risk function is supervised by the Audit Committee of the Board. Audit Committee reviews the asset quality on a quarterly basis.

It is the endeavor of the management that the profitability of the company is insulated to the extent possible from all the risks by taking appropriate steps for mitigating the risks in a proper manner. The Board takes the responsibility for the 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 the 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.

## **CAUTIONARY STATEMENT**

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of Oswal Agro Mills Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Oswal Agro Mills Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

| Key Audit Matter   | How our audit addressed the Key Audit Matter   |
|--|--|
| <p>Contingent liabilities; There are various pending cases against which demand has been raised by different authority.</p>  | <p>For legal and regulatory matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the processes and control over legal matters;</li> <li>• Reviewing the Company's significant legal matters and other contractual claims;</li> <li>• performing substantive procedures on the underlying calculations of potential liability;</li> <li>• where relevant, reading external legal opinions obtained by management;</li> <li>• where relevant, obtaining written confirmation from external legal counsels on the status of the cases;</li> <li>• Reviewing the adequacy and completeness of the company's disclosures.</li> </ul> <p>Based on the work performed, we found the disclosures made by the management in notes 36 and 43 of the financial statements are sufficient.</p>  |
| <p>The company has deferred tax assets in respect of long-term capital losses on sale of investment. There is inherent uncertainty involved in forecasting future taxable long-term capital gains, which determines the extent to which deferred tax assets are or are not recognized.</p> | <p>Deferred tax assets in respect of deductible capital losses on sale of investments have been recognized to the extent of expected capital gains, being the difference between the fair market value and indexed cost as at the end of the reporting period, on disposal of the Investment property. In this regard we obtained the valuation report from an independent expert for determining the fair market value as on the reporting date and assessed the recoverability of the long-term capital losses against the future taxable profits, taking in to account the company's tax position, and our knowledge and experience of the application of relevant tax legislation.</p> <p>Based on the work performed, we found the disclosures made by the management in note 9 of the financial statements are sufficient.</p> |

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the company's annual report, but does not include the financial statements and our auditor's report thereon. The aforesaid report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with respect to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Agarwal & Dhandhan**  
Chartered Accountants  
Firm Registration No. 125756W

Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019

**Sanjay Agarwal**  
(Partner)  
Membership No. 078579

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our report of even date to the members of Oswal Agro Mills Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

- (i) (a) In our opinion and according to the information and explanation given to us during the course of audit, the company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and investment properties.
- (b) In our opinion and according to the information and explanation given to us during the course of audit, property, plant and equipment and investment properties have been physically verified by the management at reasonable interval having regard to the size of the company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.
- (c) According to the information and explanations given to us and on the basis of records examined by us, the title deeds of the immovable properties are held in the name of the company subject to the following limitations:

| Particulars of the Immovable Property       | Gross carrying amount as at 31 <sup>st</sup> March, 2019 (₹ in thousand) | Net carrying amount as at 31 <sup>st</sup> March, 2019 (₹ in thousand) | Remarks  |
|---|--|--|--|
| 1) Building at Vijay Vihar, Chembur, Mumbai | 560.89   | 503.15   | Photocopy of the original title deeds was provided.  |
| 2) Freehold Land at Ludhiana, Punjab        | 3,088.25   | 3,088.25   | Title deed is not available with the Company. However, the same has been verified from Tehsildar's record, duly certified. |

- (ii) In our opinion and according to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals having regard to the size of the company and no material discrepancy was noticed on such verification as compared to book records.
- (iii) In our opinion and according to the information and explanation given to us during the course of audit, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, sub clauses (a), (b) & (c) of paragraph 3(iii) the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us during the course of audit, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and investments of the company. Further, the company has not given any guarantee or security; accordingly, to this extent paragraph 3(iv) of the Order is not applicable.
- (v) In terms of the books and records examined by us, we state that the Company has not accepted any deposit from the public in terms of section 73 to 76 of the Act and the rules framed thereunder.
- (vi) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and the books and records examined by us, we state that the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable. There are no outstanding statutory dues for more than six months from the date they became payable as on 31<sup>st</sup> March 2019 except:

| Name of the statute  | Nature of Dues | Amount (in ₹ thousand) | Period to which amount relates | Due date          | Date of payment |
|----------------------|----------------|------------------------|--------------------------------|-------------------|-----------------|
| Income Tax Act, 1961 | TDS Demands    | 606.29                 | FY 2016-17 and before          | Not ascertainable | Not yet paid    |

- (b) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no dues of income tax or sale tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except disclosed as under:

| Name of Statute                           | Nature of the Dues           | Period to which it relates | Amount in (₹ thousand)  | Forum where it is pending                      |
|---|------------------------------|----------------------------|---|--|
| Punjab General Sales Tax Act, 1948 (PGST) | Value Added Tax              | 1994-1995                  | 16,151.28   | Punjab VAT Tribunal                            |
| Punjab General Sales Tax Act, 1948 (PGST) | Value Added Tax              | 1998-1999                  | 1,352.63  | Punjab VAT Tribunal                            |
| Punjab General Sales Tax Act, 1948 (PGST) | Value Added Tax              | 1999-2000                  | 1,422.73<br>(Excluding amount paid under protest ₹ 474.25 thousand) | Punjab VAT Tribunal                            |
| Central Sales Tax Act, 1956               | Central Sales Tax            | 1994-1995                  | 349.33  | Punjab VAT Tribunal                            |
| Income Tax Act, 1961                      | Income Tax demand u/s 143(1) | AY 2017-18                 | 2,283.44  | Rectification pending before assessing officer |

**Oswal Agro Mills Limited**

- (viii) According to the information and explanations given to us and the books and records examined by us, the company has no loans or borrowings from bank, financial institution and government and has no dues to debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanation given to us no fraud by the company or on the company, by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanation given to us during the course of audit, the company has paid managerial remuneration in accordance with the requisite approvals as mandated by the provisions of Section 197 of the Act read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanation given to us during the course of audit, the company is not a Nidhi company. Therefore, clause 3(xii) of the Order are not applicable.
- (xiii) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not entered into non- cash transaction with directors or persons connected with him. Therefore paragraph 3(xv) Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us during the course of audit, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Agarwal & Dhandhan**  
Chartered Accountants  
Firm Registration No. 125756W

Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019

**Sanjay Agarwal**  
(Partner)  
Membership No. 078579



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

**Referred to in our report of even date to the members of Oswal Agro Mills Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019**

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

We have audited the internal financial controls with reference to financial statements of **Oswal Agro Mills Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls with reference to financial statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with respect to financial statements and their operating effectiveness. Our audit of internal financial control with respect to financial statements included obtaining an understanding of internal financial control with respect to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with respect to financial statements**

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

#### **Inherent Limitations of Internal Financial Controls with respect to financial statements**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with respect to financial statements and such internal financial controls with respect to financial statements were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal controls with respect to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Agarwal & Dhandhania**  
Chartered Accountants  
Firm Registration No. 125756W

Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019

**Sanjay Agarwal**  
(Partner)  
Membership No. 078579

**STANDALONE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019**

(₹ in thousand)

| Particulars   | Note No. | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|----------|---------------------|---------------------|
| <b>I. ASSETS</b>  |          |                     |                     |
| <b>(1) Non-current assets</b>                           |          |                     |                     |
| (a) Property, Plant and Equipment                       | 3        | 52,489.47           | 47,176.11           |
| (b) Investment Property                                 | 4        | 24,361.63           | 24,729.77           |
| (c) Investment in associate                             | 5        | 2,375,808.28        | 2,375,808.28        |
| (d) Financial Assets                                    |          |                     |                     |
| (i) Investments   | 6        | 131,972.00          | 141,271.51          |
| (ii) Loans  | 7        | 833,357.30          | 943,357.31          |
| (iii) Other financial assets                            | 8        | –                   | –                   |
| (e) Deferred Tax Assets (net)                           | 9        | 46,918.90           | 45,514.87           |
| (f) Income Tax Assets (net)                             |          | 6,997.68            | 3,326.48            |
| (g) Other non-current assets                            | 10       | 7,110.57            | –                   |
|   |          | <b>3,479,015.83</b> | <b>3,581,184.33</b> |
| <b>(2) Current assets</b>                               |          |                     |                     |
| (a) Inventories   | 11       | 648,885.17          | 648,885.17          |
| (b) Financial Assets                                    |          |                     |                     |
| (i) Investments   | 12       | 815,243.31          | 1,260,181.19        |
| (ii) Trade Receivables                                  | 13       | –                   | 222,783.50          |
| (iii) Cash and cash equivalents                         | 14       | 6,127.63            | 19,498.28           |
| (iv) Bank Balances other than cash and cash equivalents | 15       | 194.09              | 181.70              |
| (v) Loans   | 16       | 792,630.29          | 550.11              |
| (vi) Other financial assets                             | 17       | 89,347.67           | 23,672.25           |
| (c) Other current assets                                | 18       | 183.47              | 350.86              |
|   |          | <b>2,352,611.63</b> | <b>2,176,103.06</b> |
| <b>Total Assets</b>                                     |          | <b>5,831,627.46</b> | <b>5,757,287.39</b> |
| <b>II. EQUITY AND LIABILITIES</b>                       |          |                     |                     |
| <b>(1) Equity</b>                                       |          |                     |                     |
| (a) Equity Share capital                                | 19       | 1,342,347.76        | 1,342,347.76        |
| (b) Other equity  | 20       | 4,459,690.75        | 4,375,983.60        |
|   |          | <b>5,802,038.51</b> | <b>5,718,331.36</b> |
| <b>Liabilities</b>                                      |          |                     |                     |
| <b>(2) Non-current liabilities</b>                      |          |                     |                     |
| (a) Provisions  | 21       | 1,676.72            | 1,483.38            |
|   |          | <b>1,676.72</b>     | <b>1,483.38</b>     |
| <b>(3) Current liabilities</b>                          |          |                     |                     |
| (a) Financial Liabilities                               |          |                     |                     |
| (i) Other financial liabilities                         | 22       | 8,861.92            | 8,963.70            |
| (b) Other current liabilities                           | 23       | 14,378.33           | 23,091.48           |
| (c) Provisions  | 24       | 4,671.98            | 5,417.47            |
|   |          | <b>27,912.23</b>    | <b>37,472.65</b>    |
| <b>Total Equity and Liabilities</b>                     |          | <b>5,831,627.46</b> | <b>5,757,287.39</b> |

**III. SIGNIFICANT ACCOUNTING POLICIES**

2

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

As per our report of even date attached

For Agarwal & Dhandhanian  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(₹ in thousand)

| Particulars   | Note No. | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|---|----------|--------------------------|--------------------------|
| <b>I</b> Revenue from operations                                    | 25       | –                        | 223,665.00               |
| <b>II</b> Other income  | 26       | 216,687.10               | 197,919.43               |
| <b>III Total Income (I+II)</b>                                      |          | <u>216,687.10</u>        | <u>421,584.43</u>        |
| <b>IV Expenses:</b>   |          |                          |                          |
| Purchases of stock-in-trade   | 27       | –                        | 222,462.45               |
| Employee benefits expense   | 28       | 15,662.23                | 16,004.58                |
| Finance costs   | 29       | 510.66                   | 472.34                   |
| Depreciation and amortization expense                               | 30       | 2,109.16                 | 1,880.41                 |
| Other expenses  | 31       | 81,607.43                | 81,854.58                |
| <b>Total expenses (IV)</b>  |          | <u>99,889.48</u>         | <u>322,674.36</u>        |
| <b>V Profit before tax (III-IV)</b>                                 |          | <b>116,797.62</b>        | <b>98,910.07</b>         |
| <b>VI Tax expense:</b>  | 32       |                          |                          |
| - Current tax   |          | 25,472.30                | 22,822.50                |
| - Deferred tax  |          | (1,404.03)               | (52,770.35)              |
| <b>VII Profit/(loss) for the year after tax (V-VI)</b>              |          | <b>92,729.35</b>         | <b>128,857.92</b>        |
| <b>VIII Other Comprehensive Income</b>                              |          |                          |                          |
| Items that will not be reclassified to profit or loss               |          |                          |                          |
| - Fair value gain/(loss) on equity instruments through OCI          |          | (9,299.51)               | (1,798.34)               |
| - Net Gain/(loss) on remeasurement of defined benefit plan          |          | 277.31                   | (315.19)                 |
| - Income tax relating to these items                                |          | –                        | –                        |
| <b>Total Other Comprehensive Income/(Loss)</b>                      |          | <u>(9,022.20)</u>        | <u>(2,113.53)</u>        |
| <b>IX Total Comprehensive income/(loss) for the year (VII+VIII)</b> |          | <b>83,707.15</b>         | <b>126,744.39</b>        |
| <b>X Earnings per equity share (Face Value of ₹ 10/- each)</b>      | 33       |                          |                          |
| Basic/Diluted   |          | 0.69                     | 0.96                     |
| <b>XI SIGNIFICANT ACCOUNTING POLICIES</b>                           | 2        |                          |                          |

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

As per our report of even date attached

For Agarwal & Dhandhanian  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019** (₹ in thousand)

| Particulars  | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|--|--------------------------|--------------------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                          |
| Profit before tax  | 116,797.62               | 98,910.07                |
| <b>Adjustments for:</b>  |                          |                          |
| - Depreciation and amortisation expense  | 2,109.16                 | 1,880.41                 |
| - Finance costs  | 510.66                   | 472.34                   |
| - Interest income on financial assets at amortised cost at EIR   | (118,929.07)             | (104,535.99)             |
| - Net gain on financial assets carried at FVTPL  | (26,658.93)              | (74,353.31)              |
| - Dividend income on financial assets carried at FVTPL   | (41,909.33)              | (10,738.11)              |
| - Rental Income on investment property   | (1,800.00)               | (1,800.00)               |
| - Non Cash Legal Claims  | 285.00                   | 715.21                   |
| - Provisions no longer required written back   | (55.00)                  | (6,478.82)               |
| - Movement in Provision for Gratuity, Leave Encashment and sick leave  | (785.50)                 | 661.88                   |
|  | <u>(187,233.01)</u>      | <u>661.88</u>            |
| <b>Operating profit before working capital changes and tax</b>   | <b>(70,435.39)</b>       | <b>(95,266.32)</b>       |
| Adjustments for changes in working capital:  |                          |                          |
| - (Increase)/Decrease in trade receivables and other current assets  | 222,950.93               | (222,674.96)             |
| - (Increase)/Decrease in current and non-current financial assets  | (6,637.07)               | (359.57)                 |
| - Increase/(Decrease) in other current liabilities   | (8,998.15)               | (3,755.29)               |
| - Increase/(Decrease) in other current financial liabilities   | (46.78)                  | 1,804.31                 |
|  | <u>207,268.93</u>        | <u>1,804.31</u>          |
| <b>Cash generated from operations before tax</b>   | <b>136,833.54</b>        | <b>(320,251.83)</b>      |
| - Income Taxes (Payment) / Refund  | (29,143.51)              | (17,842.86)              |
|  | <u>(29,143.51)</u>       | <u>(17,842.86)</u>       |
| <b>Net cash from/(used in) operating activities</b>  | <b>107,690.03</b>        | <b>(338,094.69)</b>      |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                          |                          |
| - Purchase of property, plant and equipment  | (7,054.38)               | (2,010.88)               |
| - (Purchase)/Sale of investments in subsidiary   | -                        | 21,825.22                |
| - Purchase of current investments  | (1,275,133.37)           | (1,321,500.00)           |
| - Sale of current investments  | 1,743,758.58             | 1,301,000.00             |
| - Extending of intercorporate loans  | (840,000.00)             | (600,000.00)             |
| - Repayment of intercorporate loans  | 157,500.00               | 692,500.00               |
| - Movement in Fixed Deposits   | (12.39)                  | 4,334.16                 |
| - Movement in Future and option contracts<br>(measured at fair value through profit and loss)                | (58,867.49)              | -                        |
| - Rental Income on investment property received  | 1,800.00                 | 1,800.00                 |
| - Realised profit in trading of futures and options  | 2,849.12                 | -                        |
| - Realised profit in trading of mutual funds   | 122.46                   | -                        |
| - Dividend Received  | 43,897.42                | 8,750.02                 |
| - Interest Received  | 110,079.37               | 141,378.34               |
|  | <u>(121,060.68)</u>      | <u>248,076.86</u>        |
| <b>Net cash from/(used in) investing activities</b>  | <b>(121,060.68)</b>      | <b>248,076.86</b>        |
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                          |
| Finance cost paid  | -                        | (5.41)                   |
| <b>Net cash generated from/(used in) financing activities</b>  | <b>-</b>                 | <b>(5.41)</b>            |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>                                     | <b>(13,370.65)</b>       | <b>(90,023.24)</b>       |
| Cash and cash equivalents at the beginning of the year   | 19,498.28                | 109,521.52               |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>6,127.63</b>          | <b>19,498.28</b>         |
| <b>IV. Components of Cash and cash equivalents as per Note 14</b>  |                          |                          |
| Balances with banks  |                          |                          |
| - in Current Account   | 5,625.99                 | 18,982.36                |
| Cash on hand   | 501.64                   | 515.92                   |
| <b>Total</b>   | <b>6,127.63</b>          | <b>19,498.28</b>         |
| <b>V. Significant accounting policies and notes forms an integral part of standalone financial statement</b> |                          |                          |

**Notes :**

- The above Cash flow statement has been prepared under the indirect method set out in Ind AS-7 notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For Agarwal & Dhandhanias  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(Amount in ₹ thousand unless otherwise stated)

**A. EQUITY SHARE CAPITAL**

| Particulars                           | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---------------------------------------|---------------------|---------------------|
| Balance at the beginning of the year  | 1,342,347.76        | 1,342,347.76        |
| -Addition/(Deletion) during the year  | -                   | -                   |
| <b>Balance at the end of the year</b> | <b>1,342,347.76</b> | <b>1,342,347.76</b> |

**B. OTHER EQUITY**

| Particulars                            | Reserves and Surplus       |                 |                   |                     | Other comprehensive income                               |                                       | Total               |
|--|----------------------------|-----------------|-------------------|---------------------|--|---------------------------------------|---------------------|
|  | Securities Premium Reserve | Capital Reserve | General Reserve   | Retained Earnings   | Fair value gain/(loss) on equity instruments through OCI | Remeasurement of defined benefit plan |                     |
| Balance as at April 1, 2017            | 4,464,882.64               | 1,500.00        | 318,976.09        | (536,129.26)        | -  | 9.74                                  | 4,249,239.21        |
| Profit for the year 2017-18            | -                          | -               | -                 | 128,857.92          | -  | -                                     | 128,857.92          |
| Other comprehensive income for 2017-18 | -                          | -               | -                 | -                   | (1,798.34)   | (315.19)                              | (2,113.53)          |
| <b>Balance as at March 31, 2018</b>    | <b>4,464,882.64</b>        | <b>1,500.00</b> | <b>318,976.09</b> | <b>(407,271.34)</b> | <b>(1,798.34)</b>  | <b>(305.45)</b>                       | <b>4,375,983.60</b> |
| Profit for the year for 2018-19        | -                          | -               | -                 | 92,729.35           | -  | -                                     | 92,729.35           |
| Other comprehensive income for 2018-19 | -                          | -               | -                 | -                   | (9,299.51)   | 277.31                                | (9,022.20)          |
| <b>Balance as at March 31, 2019</b>    | <b>4,464,882.64</b>        | <b>1,500.00</b> | <b>318,976.09</b> | <b>(314,541.99)</b> | <b>(11,097.85)</b>                                       | <b>(28.14)</b>                        | <b>4,459,690.75</b> |

**Significant accounting policies and notes form an integral part of standalone financial statements.**

As per our report of even date attached

For Agarwal & Dhandhanian  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**  
(Amount in ₹ thousand unless otherwise stated)

**1. COMPANY OVERVIEW**

Oswal Agro Mills Limited ("company") is a listed company incorporated and domiciled in India and has its principal place of business at 7<sup>th</sup> Floor, Antriksh Bhawan, Kasturba Gandhi Marg, Connaught Place, New Delhi- 110001. The company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The principal business of the company is trading of residential/commercial flats/plot of lands and development of residential townships. Further, the company also lends its surplus funds as interest bearing inter-corporate deposits. The standalone financial statements are approved for issue by the company's board of directors on May 24, 2019.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation and presentation of standalone financial statements**

**(a) Basis of preparation of standalone financial statements**

These standalone financial statements have been prepared and presented on a going concern basis under the historical cost convention (except for certain financial instruments which are measured at fair values), on the accrual basis of accounting and comply with the Indian Accounting Standards prescribed by Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after, other pronouncements of the Institute of Chartered Accountants of India, guidelines issued by Securities and exchange board of India (SEBI) and the relevant provisions of the Companies Act, 2013 (to the extent notified)/Companies Act, 1956.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(b) Statement of compliance with Ind ASs**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

**(c) Basis of Measurement**

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis except for the employees' defined benefits and other long-term employee benefits obligations recognised as per certificate from an independent actuary and Investments measured at fair value through profit and loss (FVTPL)/ fair value through other comprehensive income (FVTOCI) that have been measured at fair value as required by relevant Ind AS.

**(d) Use of Estimates and Judgements**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following notes:

- i) **Income taxes:** The Company's tax jurisdiction is India. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- ii) **Provisions and Contingencies:** The assessments undertaken in recognising the provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.
- iii) **Post Employment benefit plan:** Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase and the inflation rate. The company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.
- iv) **Other estimates:** The preparation of standalone financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of standalone financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns etc.

**(e) Functional and Presentation Currency**

Items included in the standalone financial statements of the company are measured using Indian Rupee (₹) which is the functional currency of the company and the currency of the primary economic environment in which the entity operates. The presentation currency of the company is also Indian Rupee (₹) (rounded off to ₹ thousand upto two decimals).

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Instruments**

**i) Financial Assets**

Financial assets comprise investments in equity instruments, mutual funds, security deposits, inter-corporate deposits, trade receivables, Cash and cash equivalents and other eligible assets.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

### Subsequent Measurement:

**Financial Assets measured at amortised cost:** Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These financial assets are subsequently carried at amortized cost using the effective interest method, less any impairment loss. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

Assets at amortised cost are represented by inter corporate deposits, trade receivables, security deposits, cash and cash equivalents and other eligible current and non-current financial assets.

**Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment towards principal and interest (SPPI) on principal outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

**Equity instruments other than investment in associates:** The management determines at the initial recognition of investments in Equity instruments whether to measure it at FVTPL or FVTOCI. However, the equity instruments held for trading are always classified at fair value through Profit or Loss (FVTPL). The classification of investments at FVTOCI is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognised in other comprehensive income (OCI). On derecognition of the equity instrument measured at FVTOCI, cumulative gain or loss previously recognised in OCI are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity.

**Financial assets at fair value through Profit or Loss (FVTPL):** Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. Fair value changes are recognised in Statement of Profit and Loss. Derivative financial instruments are always measured at FVTPL.

### Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of financial asset in its entirety the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in Statement of Profit and Loss.

### Impairment of financial assets:

Trade receivables, contract assets, receivables under Ind AS 109, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses (ECL) for the respective financial asset. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. The approach followed by the company for recognising the impairment loss is given below:

#### i) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. The company estimates the following provision matrix at the reporting date:

| Period past due      | Default rate |
|----------------------|--------------|
| 0 to 6 months        | 0%           |
| 6 to 12 months       | 5%           |
| more than 12 months  | 10%          |
| doubtful receivables | 100%         |

#### ii) Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### ii) Financial liabilities

Financial liabilities comprise trade payables and other eligible liabilities.

#### Initial recognition and measurement

Financial liabilities are initially recognised at fair value. Any transaction costs that are attributable to the acquisition of the financial liabilities (except financial liabilities at fair value through profit or loss) are deducted from the fair value of financial liabilities.

#### Subsequent measurement

i) **Financial liabilities at amortised cost:** The Company has classified the following under amortised cost:

- a) Trade payables
- b) Other eligible financial liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the cumulative amortisation using the effective interest rate (EIR) method of any difference between that initial amount and the maturity amount

**Financial liabilities at fair value through profit or loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

#### Derecognition of financial liabilities

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### iii) Off setting of financial assets and financial liabilities:

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

### iv) Reclassification of financial assets

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or financial liabilities that are specifically designated at FVTPL. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## B. Inventories

Inventories are valued as under:

**Land and plots** other than area transferred to construction work-in-progress of constructed properties are valued at lower of cost or net realisable value. Cost includes land acquisition cost and land development cost. Cost of land and plots is determined on specific identification basis.

**Construction work-in-progress** of constructed properties include the cost of land, internal development costs, external development charges, construction costs, overheads, borrowing cost, development/construction materials and is valued at lower of cost/estimate cost and net realisable value.

**Trading of real estate-** the cost includes purchase and other costs in bringing the inventory in their present location and condition. Cost is determined specific identification basis.

## C. Property, Plant and Equipment

Property, Plant and Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. The cost comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Cost of self constructed asset include the cost of material, direct labour and any other costs directly attributable to bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.



## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognised net within "Other income/ Other expenses" in the Statement of Profit and Loss

The cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

### Subsequent costs

The cost of replacing part of an item of Property, Plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

### Depreciation

Depreciation on property, plant & equipment other than in relation to Chembur project is provided pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

Depreciation on tangible assets in relation to Project at Chembur is provided on the Written Down Value method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

| Category            | Useful life (Years) |
|---------------------|---------------------|
| Buildings           | 60                  |
| Furniture & Fixture | 10                  |
| Plant & Machinery   | 15                  |
| Office Equipment    | 5                   |
| Computer            | 3                   |
| Vehicles            | 8                   |

The company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and have useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset.

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from property, plant & equipment is provided for up to the date of sale/adjustment, as the case may be.

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

### D. Intangible assets

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

#### Amortisation of Intangible assets

Intangible assets are amortised on straight line method on pro-rata basis over a period of three years.

### E. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase as per the requirement of Schedule II of the Companies Act, 2013. The leasehold investment properties are amortised over the term of the lease.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**NOTES (CONTD...)****(Amount in ₹ thousand unless otherwise stated)****F. Investment in associate**

Investment in associate is recognised at cost less impairment. Dividend income from associate is recognised when its right to receive the dividend is established.

**G. Foreign currency transactions and balances**

Transactions in foreign currencies are initially recognised in the standalone financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognised in the Statement of Profit and Loss for determination of net profit or loss during the period.

**H. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

**I. Leases****Operating leases**

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

**J. Deposits provided to lessor**

The company is generally required to pay refundable security deposits in order to obtain property leases from various lessor. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

**K. Revenue**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" as per para C3 of IND AS 115 i.e., retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, applied to contracts that were not completed as of April 1, 2018. In accordance with the aforesaid method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2 "Significant Accounting Policies," in the standalone financial statements in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. There was no effect on adoption of Ind AS 115.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from the sale of Flat/Plots is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc).

Interest income is recognized as it accrues in Statement of Profit and Loss using the effective interest method.

**L. Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from the continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment losses are recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

### Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

### M. Earnings per share (EPS)

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, cash at banks, demand deposits, short-term deposits with an balance maturity of three months or less as at the balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less from the balance sheet date and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### O. Employee Benefits

#### i) Short Term Benefits

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

#### ii) Post Employment Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following post employment benefit plans:

#### Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

#### iii) Other long term employee benefits

##### Earned Leave Encashment and Sick Leave

The employees of the Company are entitled to earned leaves and sick leaves. The employees can carry forward a portion of the unutilised earned leaves and utilise it in future periods or receive cash at retirement or termination of employment. The employees can carry forward the unutilised sick leaves and utilise it in future periods and it lapses at retirement or termination of employment. The Company records an obligation for earned leave and sick leaves in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of earned leave and sick leave as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated earned leave and sick leave based on actuarial valuation. Non-accumulating leave encashment are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### P. Provisions & Contingencies

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Q. Income Taxes

Income tax comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### Current tax

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

#### Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in standalone financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### 3. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

#### 3.1 Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- **Full retrospective** – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- **Modified retrospective** – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. The impact of the same is being evaluated by the company.

### 3.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition -

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is expected to be insignificant in the standalone financial statements.

### 3.3 Amendment to Ind AS 19 - plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

## NOTES RELATED TO BALANCE SHEET

### 3 PROPERTY, PLANT AND EQUIPMENT

The following table shows changes in Property, Plant and Equipment during the year ended 31<sup>st</sup> March, 2019

| Particulars          | Gross carrying amount |                 |                          |                     | Accumulated Depreciation |                 |                                   |                     | Net carrying amount |                     |
|----------------------|-----------------------|-----------------|--------------------------|---------------------|--------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                      | As at<br>01.04.2018   | Additions       | Disposal/<br>Adjustments | As at<br>31.03.2019 | As at<br>01.04.2018      | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2019 | As at<br>31.03.2019 | As at<br>31.03.2019 |
| <b>Land</b>          |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 11,356.81             | –               | –                        | 11,356.81           | –                        | –               | –                                 | –                   | 11,356.81           | 11,356.81           |
| <b>Buildings</b>     |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 34,674.65             | –               | –                        | 34,674.65           | 2,614.65                 | 871.55          | –                                 | 3,486.20            | 31,188.45           | 32,060.00           |
| Plant & Equipments   | 1,833.38              | –               | –                        | 1,833.38            | 377.02                   | 262.04          | –                                 | 639.06              | 1,194.32            | 1,456.36            |
| Furniture & Fixtures | 140.03                | –               | –                        | 140.03              | 75.57                    | 18.59           | –                                 | 94.16               | 45.87               | 64.46               |
| Vehicles             | 2,738.00              | 6,979.38        | –                        | 9,717.38            | 656.45                   | 586.22          | –                                 | 1,242.67            | 8,474.71            | 2,081.55            |
| Office Equipment     | 241.65                | 75.00           | –                        | 316.65              | 105.91                   | 2.62            | –                                 | 108.53              | 208.12              | 135.74              |
| <b>Others</b>        |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Computers           | 21.47                 | –               | –                        | 21.47               | 0.28                     | –               | –                                 | 0.28                | 21.19               | 21.19               |
| <b>Total</b>         | <b>51,005.99</b>      | <b>7,054.38</b> | <b>–</b>                 | <b>58,060.37</b>    | <b>3,829.88</b>          | <b>1,741.02</b> | <b>–</b>                          | <b>5,570.90</b>     | <b>52,489.47</b>    | <b>47,176.11</b>    |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

The following table shows changes in Property, Plant and Equipment during the year ended 31<sup>st</sup> March, 2018

| Particulars          | Gross carrying amount |                 |                          |                     | Accumulated Depreciation |                 |                                   |                     | Net carrying amount |                     |
|----------------------|-----------------------|-----------------|--------------------------|---------------------|--------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                      | As at<br>01.04.2017   | Additions       | Disposal/<br>Adjustments | As at<br>31.03.2018 | As at<br>01.04.2017      | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 |
| <b>Land</b>          |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 11,356.81             | -               | -                        | 11,356.81           | -                        | -               | -                                 | -                   | 11,356.81           | 11,356.81           |
| <b>Buildings</b>     |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 34,674.65             | -               | -                        | 34,674.65           | 1,743.10                 | 871.55          | -                                 | 2,614.65            | 32,060.00           | 32,931.55           |
| Plant & Equipments   | 1,833.38              | -               | -                        | 1,833.38            | 63.96                    | 313.06          | -                                 | 377.02              | 1,456.36            | 1,769.42            |
| Furniture & Fixtures | 140.03                | -               | -                        | 140.03              | 49.44                    | 26.13           | -                                 | 75.57               | 64.46               | 90.59               |
| Vehicles             | 727.12                | 2,010.88        | -                        | 2,738.00            | 355.04                   | 301.41          | -                                 | 656.45              | 2,081.55            | 372.08              |
| Office Equipments    | 241.65                | -               | -                        | 241.65              | 105.79                   | 0.12            | -                                 | 105.91              | 135.74              | 135.86              |
| <b>Others</b>        |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Computers           | 21.47                 | -               | -                        | 21.47               | 0.28                     | -               | -                                 | 0.28                | 21.19               | 21.19               |
| <b>Total</b>         | <b>48,995.11</b>      | <b>2,010.88</b> | <b>-</b>                 | <b>51,005.99</b>    | <b>2,317.61</b>          | <b>1,512.27</b> | <b>-</b>                          | <b>3,829.88</b>     | <b>47,176.11</b>    | <b>46,677.50</b>    |

**4 INVESTMENT PROPERTY**

The following table shows changes in Investment property during the year ended 31<sup>st</sup> March, 2019

| Particulars      | Gross carrying amount |           |                          |                     | Accumulated Depreciation/Amortisation |                 |                                   |                     | Net carrying amount |                     |
|------------------|-----------------------|-----------|--------------------------|---------------------|---------------------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                  | As at<br>01.04.2018   | Additions | Disposal/<br>Adjustments | As at<br>31.03.2019 | As at<br>01.04.2018                   | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2019 | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>Land</b>      |                       |           |                          |                     |                                       |                 |                                   |                     |                     |                     |
| -Leasehold       | 293.24                | -         | -                        | 293.24              | 13.26                                 | 4.42            | -                                 | 17.68               | 275.56              | 279.98              |
| -Freehold        | 3,088.24              | -         | -                        | 3,088.24            | -                                     | -               | -                                 | -                   | 3,088.24            | 3,088.24            |
| <b>Buildings</b> |                       |           |                          |                     |                                       |                 |                                   |                     |                     |                     |
| -Freehold        | 22,452.71             | -         | -                        | 22,452.71           | 1,091.16                              | 363.72          | -                                 | 1,454.88            | 20,997.83           | 21,361.55           |
| <b>Total</b>     | <b>25,834.19</b>      | <b>-</b>  | <b>-</b>                 | <b>25,834.19</b>    | <b>1,104.42</b>                       | <b>368.14</b>   | <b>-</b>                          | <b>1,472.56</b>     | <b>24,361.63</b>    | <b>24,729.77</b>    |

The following table shows changes in Investment property during the year ended 31<sup>st</sup> March, 2018

| Particulars      | Gross carrying amount |           |                          |                     | Accumulated Depreciation/Amortisation |                 |                                   |                     | Net carrying amount |                     |
|------------------|-----------------------|-----------|--------------------------|---------------------|---------------------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                  | As at<br>01.04.2017   | Additions | Disposal/<br>Adjustments | As at<br>31.03.2018 | As at<br>01.04.2017                   | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 |
| <b>Land</b>      |                       |           |                          |                     |                                       |                 |                                   |                     |                     |                     |
| -Leasehold       | 293.24                | -         | -                        | 293.24              | 8.84                                  | 4.42            | -                                 | 13.26               | 279.98              | 284.40              |
| -Freehold        | 3,088.24              | -         | -                        | 3,088.24            | -                                     | -               | -                                 | -                   | 3,088.24            | 3,088.24            |
| <b>Buildings</b> |                       |           |                          |                     |                                       |                 |                                   |                     |                     |                     |
| -Freehold        | 22,452.71             | -         | -                        | 22,452.71           | 727.44                                | 363.72          | -                                 | 1,091.16            | 21,361.55           | 21,725.27           |
| <b>Total</b>     | <b>25,834.19</b>      | <b>-</b>  | <b>-</b>                 | <b>25,834.19</b>    | <b>736.28</b>                         | <b>368.14</b>   | <b>-</b>                          | <b>1,104.42</b>     | <b>24,729.77</b>    | <b>25,097.91</b>    |

Other disclosures as per IND AS 40 "Investment Property":

| (i) Amount recognised in Statement of profit and loss for investment properties | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| Rental income   | 1,800.00                 | 1,800.00                 |
| Direct operating expenses from property that generated rental income            | -                        | -                        |
| Direct operating expenses from property that did not generate rental income     | 3,604.78                 | 2,629.37                 |

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### (ii) Contractual Obligations and restrictions

- (a) The property situated at Mandideep, Madhya Pradesh having the gross carrying value of ₹ 293.24 thousand (Previous year ₹ 293.24 thousand) and net carrying value of ₹ 275.56 thousand (previous year ₹ 279.98 thousand) has been kept as security against the facility obtained by company in earlier years from Indian bank with which the legal dispute is going on as per Note No. 36.
- (b) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than in the note (a) above

### (iii) Leasing arrangements

One of the investment properties is leased under non-cancellable operating lease with rental payable monthly for a period of 29 years and 11 months. Minimum future lease payments receivable under non-cancellable operating lease of investment property are as follows-

|  | <u>Current year</u> | <u>Previous year</u> |
|--|---------------------|----------------------|
| Within one year                                | 1,800.00            | 1,800.00             |
| later than one year but not later than 5 years | 7,200.00            | 7,200.00             |
| later than 5 years                             | 40,350.00           | 42,150.00            |

### (iv) Fair Value of investment property

|                       | <u>As at 31-03-2019</u> | <u>As at 31-03-2018</u> |
|-----------------------|-------------------------|-------------------------|
| Investment properties | 241,166.52              | 231,816.49              |

#### Estimation of fair value

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of source including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by Mr. Paramjeet Singh, accredited registered valuer holding the recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The main inputs used are the local enquiries and prevailing market trends adjusted for location, size, utility, condition and other factors having influence over the fair value. All resulting fair value estimates for investment properties are included in level 3.

## NON-CURRENT ASSETS

| 5   | <b>INVESTMENTS IN ASSOCIATE</b>   | <b>As at 31.03.2019</b> | <b>As at 31.03.2018</b> |
|---|---|-------------------------|-------------------------|
| <b>I. Investments in Equity Instruments</b> |   |                         |                         |
| <b>Investments at cost</b>                  |   |                         |                         |
| <b>Associate Company (Quoted)</b>           |   |                         |                         |
| <b>Oswal Greentech Limited</b>              |   |                         |                         |
|   | 9,13,84,203 Equity Shares (31st March, 2018: 9,13,84,203) of ₹ 10/- each fully paid | 2,375,808.28            | 2,375,808.28            |
|   | <b>Total</b>  | <b>2,375,808.28</b>     | <b>2,375,808.28</b>     |
|   | Aggregate amount of quoted investments  | 2,375,808.28            | 2,375,808.28            |
|   | Aggregate market value of quoted investments  | 1,423,765.88            | 2,362,281.65            |
|   | Aggregate amount of un-quoted investments   | -                       | -                       |
|   | Aggregate amount of impairment in value of investments                              | -                       | -                       |

#### Details of investments in associate:

| Name of investee and relationship | Place of business/<br>country of<br>incorporation | Ownership<br>interest<br>as at<br>31 <sup>st</sup> March, 2019 | Ownership<br>interest<br>as at<br>31 <sup>st</sup> March, 2018 | Method of<br>Accounting |
|-----------------------------------|---|--|--|-------------------------|
| Oswal Greentech Limited           | India   | 35.58%   | 35.58%   | Measured at Cost        |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**FINANCIAL ASSETS**

| 6 | INVESTMENTS   | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|---|---------------------|---------------------|
|   | <b>Investments in Equity Instruments</b>  |                     |                     |
|   | <b>Investment at fair value through other comprehensive income (FVTOCI), (Unquoted)</b> |                     |                     |
|   | <b>Other Company</b>  |                     |                     |
|   | <b>P C Media Systems Limited</b>  |                     |                     |
|   | 1,44,51,500 Equity Shares (31st March, 2018: 1,44,51,500) of ₹ 10/- each fully paid     | 131,972.00          | 141,271.51          |
|   | <b>Total</b>  | <b>131,972.00</b>   | <b>141,271.51</b>   |
|   | Aggregate amount and market value of quoted investments                                 | -                   | -                   |
|   | Aggregate amount of un-quoted investments   | 131,972.00          | 141,271.51          |
|   | Aggregate amount of impairment in value of investments                                  | -                   | -                   |
| 7 | <b>LOANS</b>  |                     |                     |
|   | <b>(Unsecured, considered good)</b>   |                     |                     |
|   | Security deposits*  | 857.30              | 857.30              |
|   | Other loans   |                     |                     |
|   | -Inter-corporate deposits (ICD)   | 832,500.00          | 942,500.01          |
|   | <b>Total</b>  | <b>833,357.30</b>   | <b>943,357.31</b>   |

\*Includes deposit with related party of ₹187.50 thousand (31st March, 2018: ₹ 187.50 thousand)

| 8 | OTHER FINANCIAL ASSETS                       | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|--|---------------------|---------------------|
|   | Fixed Deposits with banks (For Margin Money) | 33,409.46           | 33,409.46           |
|   | Less: Allowance for credit losses*           | (33,409.46)         | (33,409.46)         |
|   | <b>Total</b>                                 | <b>-</b>            | <b>-</b>            |

\*Allowance in respect of fixed deposits encashed by Indian Bank. Refer note 36

| 9.  | DEFERRED TAX ASSETS/LIABILITIES (NET)                                       | As at<br>31.03.2019 | As at<br>31.03.2018 |
|-----|---|---------------------|---------------------|
| (a) | <b>Deferred tax (assets)/liabilities relate to the following:</b>           |                     |                     |
|     | <b>Particulars</b>  |                     |                     |
|     | <b>Deferred Tax Liabilities</b>   |                     |                     |
|     | Mutual Funds measured at FVTPL  | 214.54              | 1,929.16            |
|     |   | <b>214.54</b>       | <b>1,929.16</b>     |
|     | <b>Deferred Tax Assets</b>  |                     |                     |
|     | Employee benefits expense   | (1,766.21)          | (2,009.53)          |
|     | Property, Plant and Equipment and Investment Property                       | (10,133.73)         | (10,181.27)         |
|     | Deductible capital losses under Income Tax Act, 1961 on sale of investments | (35,233.50)         | (35,253.23)         |
|     |   | <b>(47,133.44)</b>  | <b>(47,444.03)</b>  |
|     | <b>Net Deferred Tax (Assets)/Liabilities recognised in Balance Sheet</b>    | <b>(46,918.90)</b>  | <b>(45,514.87)</b>  |

(b) **Movement in deferred tax (Assets)/Liabilities:**

| Particulars   | Property, Plant and Equipment and Investment Property | Employee benefits expense | Indexation benefit under Income Tax Act, 1961 on lands included in Investment Property | Deductible capital losses on sale of investment [refer note 9(f)] | Mutual Funds measured at fair value through profit & Loss (FVTPL) | Total              |
|---|---|---------------------------|--|---|---|--------------------|
| <b>Balance as at March 31, 2017</b>                         | <b>7,646.07</b>                                       | <b>(1,592.19)</b>         | -  | -   | <b>1,201.60</b>   | <b>7,255.48</b>    |
| Charged/(Credited) to Profit or Loss in 2017-18             | (7,646.07)  | (417.34)                  | (10,181.27)  | (35,253.23)   | 727.56  | (52,770.35)        |
| Charged/(Credited) to Other Comprehensive Income in 2017-18 | -   | -                         | -  | -   | -   | -                  |
| <b>Balance as at March 31, 2018</b>                         | <b>-</b>  | <b>(2,009.53)</b>         | <b>(10,181.27)</b>   | <b>(35,253.23)</b>  | <b>1,929.16</b>   | <b>(45,514.87)</b> |
| Charged/(Credited) to Profit or Loss in 2018-19             | -   | 243.32                    | 47.54  | 19.73   | (1,714.62)  | (1,404.03)         |
| Charged/(Credited) to Other Comprehensive Income in 2018-19 | -   | -                         | -  | -   | -   | -                  |
| <b>Balance as at March 31, 2019</b>                         | <b>-</b>  | <b>(1,766.21)</b>         | <b>(10,133.73)</b>   | <b>(35,233.50)</b>  | <b>214.54</b>   | <b>(46,918.90)</b> |



## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars   | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| Accounting profit/(loss) before tax expense   | 116,797.62               | 98,910.07                |
| Enacted tax rates in India  | 27.82%                   | 27.55%                   |
| Taxed at India's statutory income tax rate  | 32,493.10                | 27,252.20                |
| <b>Effect of:</b>   |                          |                          |
| Non deductible expense  | (7,990.70)               | (6,950.69)               |
| Exempt non-operating income   | -                        | (4,693.43)               |
| Income tax for earlier years  | (501.40)                 | (121.43)                 |
| DTA on Indexation benefit under Income Tax Act, 1961 on lands under Investment Property | 47.54                    | (10,181.27)              |
| DTA on capital losses   | 19.73                    | (35,253.23)              |
| <b>Income tax expense recognised in Statement of Profit and Loss</b>                    | <b>24,068.27</b>         | <b>(29,947.85)</b>       |

(d) The tax rates under Indian Income Tax Act, 1961 for financial year 2018-19 is 27.82% (Previous year 2017-18 is 27.55%)

(e) Unrecognised temporary differences

| Particulars   | As at 31.03.2019  | As at 31.03.2018  |
|---|-------------------|-------------------|
| i) The amount of deductible temporary differences on investments in equity shares for which no deferred tax asset is recognised                           | 740,661.63        | 706,429.73        |
| ii) The amount of unused long term capital losses as per Income Tax Act, 1961 on transfer of equity shares for which no deferred tax asset is recognised* | 46,480.20         | 92,886.63         |
| <b>Potential tax benefit @ 22.26% (P.Y. 23.30%)</b>   | <b>175,186.29</b> | <b>186,208.74</b> |

\* The losses are available for use till F.Y 2024-25 (A.Y 2025-26)

(f) Deferred tax assets in respect of deductible capital losses on sale of investments have been recognised to the extent of expected capital gains, being the difference between the fair market value and indexed cost as at the end of the reporting period, arising on disposal of Investment properties.

### NON-FINANCIAL ASSETS

#### 10 OTHER NON-CURRENT ASSETS

|                  |                 |          |
|------------------|-----------------|----------|
| Other receivable | 7,110.57        | -        |
| <b>Total</b>     | <b>7,110.57</b> | <b>-</b> |

### CURRENT ASSETS

#### 11 INVENTORIES

(At lower of cost and net realisable value)

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| -Land at Chembur, Mumbai | 648,885.17        | 648,885.17        |
| <b>Total</b>             | <b>648,885.17</b> | <b>648,885.17</b> |

**Note:** During the year NCLAT had directed the company not to sell the land without its prior permission or till the final decision of the appeals whichever is earlier.

### FINANCIAL ASSETS

#### 12 INVESTMENTS

Investments at fair value through profit or loss (FVTPL)

Investment in Mutual Funds (Unquoted)

|  |                   |                     |
|--|-------------------|---------------------|
| 64,070.56 units (31 <sup>st</sup> March, 2018 83,927.36 units) of LIC MF - liquid fund- Growth Plan  | 215,739.84        | 263,180.17          |
| Nil units (31 <sup>st</sup> March, 2018 2,48,76,202.36 units) DSP Black Rock Arbitrage Fund- Monthly Dividend (Regular plan)               | -                 | 250,304.35          |
| 3,25,47,425.71 units (31 <sup>st</sup> March, 2018 3,25,47,425.71 units) Kotak Equity Arbitrage Fund- Monthly Dividend (Regular plan)      | 348,530.85        | 348,023.11          |
| 49,65,535.36 units (31 <sup>st</sup> March, 2018 2,48,36,081.86 units) L & T Arbitrage Opportunities Fund- Monthly Dividend (Regular plan) | 50,132.04         | 249,503.28          |
| 94,07,219.73 units (31 <sup>st</sup> March, 2018 94,07,219.73 units) UTI Spread Fund - Dividend payout                                     | 150,561.61        | 149,170.28          |
| 0.596 units (31 <sup>st</sup> March, 2018 Nil units) HDFC Liquid Fund - Growth Plan  | 2.19              | -                   |
| 16,485.63 units (31 <sup>st</sup> March, 2018 Nil units) UTI Mutual Fund - Liquid Cash Plan  | 50,276.76         | -                   |
| 0.01 units (31 <sup>st</sup> March, 2018 Nil units) Kotak Liquid - Regular Plan  | 0.02              | -                   |
| <b>Total</b>   | <b>815,243.31</b> | <b>1,260,181.19</b> |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

|   |                     |                     |
|---|---------------------|---------------------|
| (a) Aggregate amount and market value of quoted investments                             | –                   | –                   |
| (b) Aggregate amount of unquoted investments  | 815,243.31          | 1,260,181.19        |
| (c) Aggregate amount of impairment in value of investments                              | –                   | –                   |
| <b>13 TRADE RECEIVABLES</b>   | <b>As at</b>        | <b>As at</b>        |
|   | <b>31.03.2019</b>   | <b>31.03.2018</b>   |
| <b>(Unsecured, considered good)</b>   |                     |                     |
| Trade receivables- sale of real estate  | –                   | 222,783.50          |
| <b>Total</b>  | <b>–</b>            | <b>222,783.50</b>   |
| <b>14 CASH AND CASH EQUIVALENTS</b>   |                     |                     |
| Balances with banks   |                     |                     |
| - in current account  | 5,625.99            | 18,982.36           |
| Cash on hand  | 501.64              | 515.92              |
| <b>Total</b>  | <b>6,127.63</b>     | <b>19,498.28</b>    |
| <b>15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>                            |                     |                     |
| Fixed Deposits with banks   | 194.09              | 181.70              |
| <b>Total</b>  | <b>194.09</b>       | <b>181.70</b>       |
| <b>16 LOANS</b>   |                     |                     |
| <b>(Unsecured, considered good)</b>   |                     |                     |
| Other loans   |                     |                     |
| - Inter corporate Deposit   | 792,500.00          | –                   |
| - Loan to employees   | 130.29              | 550.11              |
| <b>Total</b>  | <b>792,630.29</b>   | <b>550.11</b>       |
| <b>17 OTHER FINANCIAL ASSETS</b>  |                     |                     |
| Interest receivable   | 30,480.18           | 21,630.48           |
| Future and option contracts (measured at fair value through profit and loss)            | 58,867.49           | –                   |
| Dividend receivable   | –                   | 1,988.09            |
| Other receivables*  | –                   | 53.68               |
| <b>Total</b>  | <b>89,347.67</b>    | <b>23,672.25</b>    |
| * From related party  |                     |                     |
| <b>NON-FINANCIAL ASSETS</b>   |                     |                     |
| <b>18 OTHER CURRENT ASSETS</b>  |                     |                     |
| Advances other than capital advances  |                     |                     |
| -Other advances   | 183.47              | 350.86              |
| <b>Total</b>  | <b>183.47</b>       | <b>350.86</b>       |
| <b>EQUITY AND LIABILITIES</b>   |                     |                     |
| <b>19 SHARE CAPITAL</b>   |                     |                     |
| <b>Authorized:</b>  |                     |                     |
| 30,00,00,000 (31st March 2018: 30,00,00,000) Equity Shares of ₹ 10/- each               | 3,000,000.00        | 3,000,000.00        |
| 1,00,00,000 (31st March 2018: 1,00,00,000) Redeemable Preference Shares of ₹ 100/- each | 1,000,000.00        | 1,000,000.00        |
| <b>Total</b>  | <b>4,000,000.00</b> | <b>4,000,000.00</b> |
| <b>Issued, Subscribed and fully paid-up:</b>  |                     |                     |
| Issued, Subscribed and fully paid-up:   |                     |                     |
| 13,42,34,776 (31st March 2018: 13,42,34,776) Equity Shares of ₹ 10/- each               | 1,342,347.76        | 1,342,347.76        |
| <b>Total</b>  | <b>1,342,347.76</b> | <b>1,342,347.76</b> |

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

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

| Particulars                                   | No. of Shares | Amount       |
|---|---------------|--------------|
| <b>As at March 31, 2017</b>                   | 134,234,776   | 1,342,347.76 |
| Add/(less): Issued/(redeemed) during the year | –             | –            |
| <b>As at March 31, 2018</b>                   | 134,234,776   | 1,342,347.76 |
| Add/(less): Issued/(redeemed) during the year | –             | –            |
| <b>As at March 31, 2019</b>                   | 134,234,776   | 1,342,347.76 |

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

| Particulars                 | No. of shares | % of holding |
|-----------------------------|---------------|--------------|
| <b>As at March 31, 2018</b> |               |              |
| - Aruna Oswal               | 56,026,460    | 41.74%       |
| <b>As at March 31, 2019</b> |               |              |
| - Aruna Oswal               | 56,026,460    | 41.74%       |

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

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

| 20 OTHER EQUITY   | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|---------------------|---------------------|
| <b>(a) Reserve and Surplus</b>                                  |                     |                     |
| <b>Securities Premium Reserve</b>                               |                     |                     |
| Balance at the commencement of the year                         | 4,464,882.64        | 4,464,882.64        |
| Add: Additions/(Deletion) during the year                       | –                   | –                   |
| <b>Balance at the end</b>                                       | <b>4,464,882.64</b> | <b>4,464,882.64</b> |
| <b>Capital Reserve</b>  |                     |                     |
| Balance at the commencement of the year                         | 1,500.00            | 1,500.00            |
| Add: Additions/(Deletion) during the year                       | –                   | –                   |
| <b>Balance at the end</b>                                       | <b>1,500.00</b>     | <b>1,500.00</b>     |
| <b>General Reserve</b>  |                     |                     |
| Balance at the commencement of the year                         | 318,976.09          | 318,976.09          |
| Add: Additions/(Deletion) during the year                       | –                   | –                   |
| <b>Balance at the end</b>                                       | <b>318,976.09</b>   | <b>318,976.09</b>   |
| <b>Retained earnings</b>  |                     |                     |
| Balance at the commencement of the year                         | (407,271.34)        | (536,129.26)        |
| Add: Profit/(loss) for the year                                 | 92,729.35           | 128,857.92          |
| <b>Balance at the end</b>                                       | <b>(314,541.99)</b> | <b>(407,271.34)</b> |
| <b>(b) Other Components of Equity</b>                           |                     |                     |
| <b>Fair value gain/(loss) on equity instruments through OCI</b> |                     |                     |
| Balance at the commencement of the year                         | (1,798.34)          | –                   |
| Add: Additions/(Deletion) during the year                       | (9,299.51)          | (1,798.34)          |
| <b>Balance at the end</b>                                       | <b>(11,097.85)</b>  | <b>(1,798.34)</b>   |
| <b>Remeasurement of net defined benefit plan</b>                |                     |                     |
| Balance at the commencement of the year                         | (305.45)            | 9.74                |
| Add: Additions/(Deletion) during the year                       | 277.31              | (315.19)            |
| <b>Balance at the end</b>                                       | <b>(28.14)</b>      | <b>(305.45)</b>     |
| <b>Total (a+b)</b>  | <b>4,459,690.75</b> | <b>4,375,983.60</b> |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**NATURE AND PURPOSE OF COMPONENTS OF OTHER EQUITY:**

**Securities Premium Reserve**

Securities premium reserve represents premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital Reserve**

It includes central investment subsidy received in earlier years

**General Reserve**

This represents appropriation of profit by the Company. In the absence of any transfer to the General Reserve, there has been no movement in the General Reserve this year.

**Retained Earnings**

Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.

**Equity instruments through OCI**

This represents the gain/(loss) on remeasurement of equity instruments through other comprehensive income

**Remeasurement of net defined benefit plan**

This represents the gain/(loss) on remeasurement of net defined benefit plan.

**NON-CURRENT LIABILITIES**

| 21 PROVISIONS                    | As at<br>31.03.2019 | As at<br>31.03.2018 |
|----------------------------------|---------------------|---------------------|
| Provisions for employee benefits | 1,676.72            | 1,483.38            |
| <b>Total</b>                     | <b>1,676.72</b>     | <b>1,483.38</b>     |

**CURRENT LIABILITIES**

**FINANCIAL LIABILITIES**

| 22 OTHER FINANCIAL LIABILITIES |                 |                 |
|--------------------------------|-----------------|-----------------|
| Others                         |                 |                 |
| Creditors for expenses*        | 4,741.65        | 8,195.58        |
| Employee benefits payable**    | 771.53          | 768.12          |
| Other payable                  | 3,348.74        | -               |
| <b>Total</b>                   | <b>8,861.92</b> | <b>8,963.70</b> |

\* Includes payable to related party of ₹ 135.00 thousand (31st March 2018: ₹ 126.00 thousand)

\*\* Includes payable to related party ₹ 195.70 thousand (31st March 2018: ₹ 227.91 thousand)

**NON-FINANCIAL LIABILITIES**

| 23 OTHER CURRENT LIABILITIES     |                  |                  |
|----------------------------------|------------------|------------------|
| Others                           |                  |                  |
| Payable against litigations      | 12,000.21        | 11,715.21        |
| Duties & taxes payable           | 2,378.12         | 1,279.02         |
| Other payable                    | -                | 10,097.25        |
| <b>Total</b>                     | <b>14,378.33</b> | <b>23,091.48</b> |
| 24 PROVISIONS                    |                  |                  |
| Provisions for employee benefits | 4,671.98         | 5,417.47         |
| <b>Total</b>                     | <b>4,671.98</b>  | <b>5,417.47</b>  |

**NOTES RELATED TO STATEMENT OF PROFIT AND LOSS**

| 25 REVENUE FROM OPERATIONS | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|----------------------------|--------------------------|--------------------------|
| Sale of products           |                          |                          |
| -Real Estate               | -                        | 223,665.00               |
| <b>Total</b>               | <b>-</b>                 | <b>223,665.00</b>        |

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

| 26 | OTHER INCOME  | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|----|---|--------------------------|--------------------------|
|    | Interest income   |                          |                          |
|    | -Interest income at EIR (including interest on income tax refund) | 118,929.07               | 104,535.99               |
|    | Other non operating income  |                          |                          |
|    | -Net gain on financial assets carried at FVTPL                    | 26,658.93                | 74,353.31                |
|    | -Rental Income  | 1,800.00                 | 1,800.00                 |
|    | -Provisions no longer required written back                       | 55.00                    | 6,478.82                 |
|    | -Dividend income on financial assets carried at FVTPL             | 41,909.33                | 10,738.11                |
|    | -Claim in respect of legal dispute                                | 27,334.77                | -                        |
|    | -Miscellaneous Income   | -                        | 13.20                    |
|    | <b>Total</b>  | <b>216,687.10</b>        | <b>197,919.43</b>        |
| 27 | <b>PURCHASES OF STOCK IN TRADE</b>                                |                          |                          |
|    | Purchase of Real Estate   | -                        | 222,462.45               |
|    | <b>Total</b>  | <b>-</b>                 | <b>222,462.45</b>        |
| 28 | <b>EMPLOYEE BENEFITS EXPENSE</b>                                  |                          |                          |
|    | Salaries and wages  | 14,022.70                | 14,399.29                |
|    | Contribution to provident and other funds                         | 994.91                   | 966.16                   |
|    | Staff welfare expenses  | 644.62                   | 639.13                   |
|    | <b>Total</b>  | <b>15,662.23</b>         | <b>16,004.58</b>         |
|    | <b>1) Defined Contribution Plan:</b>                              | <b>Current year</b>      | <b>Previous year</b>     |
|    | Contribution to Provident fund                                    | 874.01                   | 807.79                   |
|    | <b>2) Defined Benefit plan:</b>                                   |                          |                          |
|    | <b>I. Gratuity</b>  |                          |                          |

The Company operates an unfunded gratuity plan. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

- a. The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
- b. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date
- c. Actuarial gains and losses are recognised immediately in other comprehensive income in Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

The amounts recognized in the statement of Profit & Loss Account for the year and previous year are as follows:-

| Particulars   | Gratuity (Unfunded)<br>Year ended 31.03.2019 | Gratuity (Unfunded)<br>Year ended 31.03.2018 |
|---|--|--|
| <b>Recognised in profit and loss</b>                  |  |  |
| Current service cost                                  | 326.76                                       | 322.00                                       |
| Interest Cost   | 335.88                                       | 290.79                                       |
| Past service cost including curtailment gains/losses  | -  | 677.50                                       |
| <b>Total</b>  | <b>662.64</b>                                | <b>1,290.29</b>                              |
| <b>Recognised in other comprehensive income</b>       |  |  |
| Actuarial Gain/(Loss)                                 | 277.31                                       | (315.19)                                     |
| <b>Total</b>  | <b>277.31</b>                                | <b>(315.19)</b>                              |
| <b>Expected contribution in the next year</b>         | <b>557.46</b>                                | <b>525.66</b>                                |
| <b>Assumptions</b>                                    |  |  |
| Mortality rates inclusive of provision for disability | 100% of IALM (2006 - 08)                     |  |
| Retirement Age (years)                                | 60   | 60   |
| Ages  |  |  |
| Up to 30 Years  | 3.00   | 3.00   |
| From 31 to 44 years                                   | 2.00   | 2.00   |
| Above 44 years  | 1.00   | 1.00   |
| Discount Rate   | 7.40   | 7.40   |
| Future Salary Increase                                | 6.00   | 6.00   |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**Mortality Rates for specimen ages:**

| Age | Mortality Rate | Age | Mortality Rate | Age | Mortality Rate |
|-----|----------------|-----|----------------|-----|----------------|
| 15  | 0.000614       | 45  | 0.002874       | 75  | 0.039637       |
| 20  | 0.000888       | 50  | 0.004946       | 80  | 0.060558       |
| 25  | 0.000984       | 55  | 0.007888       | 85  | 0.091982       |
| 30  | 0.001056       | 60  | 0.011534       | 90  | 0.138895       |
| 35  | 0.001282       | 65  | 0.017009       | 95  | 0.208585       |
| 40  | 0.001803       | 70  | 0.025855       | 100 | 0.311628       |

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**The following table sets out the status of the gratuity:**

| Particulars  | Gratuity (Unfunded) for the year ended 31.03.2019 | Gratuity (Unfunded) for the year ended 31.03.2018 |
|--|---|---|
| <b>Change in present benefit obligations</b>                   |   |   |
| Present value of obligation as at the beginning of the Year    | 4,538.92  | 3,983.43  |
| Interest Cost  | 335.88  | 290.79  |
| Acquisition adjustment   | –   | –   |
| Current service cost   | 326.76  | 322.00  |
| Past Service Cost including curtailment gains/losses           | –   | 677.50  |
| Benefits Paid  | –   | (1,049.98)  |
| Actuarial (Gain)/Loss - Experience Adjustment                  | (271.46)  | 285.92  |
| Actuarial (Gain)/Loss - Demographic Assumptions                | –   | –   |
| Actuarial (Gain)/Loss - Financial Assumptions                  | (5.85)  | 29.26   |
| <b>Present value of obligation as at the end of Year</b>       | <b>4,924.25</b>                                   | <b>4,538.92</b>                                   |
| Present value of obligation as at the end of Year- current     | 3,719.20  | 3,463.99  |
| Present value of obligation as at the end of Year- non-current | 1,205.05  | 1,074.93  |
| <b>Change in plan assets</b>                                   |   |   |
| Fair value of plan assets at the beginning of the year         | –   | –   |
| Actual return on plan assets                                   | –   | –   |
| Employer contribution  | –   | –   |
| Benefits paid  | –   | –   |
| <b>Fair value of plan assets at the end of the year</b>        | <b>–</b>  | <b>–</b>  |
| <b>Balance Sheet and related analysis</b>                      |   |   |
| Present Value of the obligation at end                         | 4,924.25  | 4,538.92  |
| Fair value of plan assets                                      | –   | –   |
| Unfunded Liability/provision in Balance Sheet                  | 4,924.25  | 4,538.92  |
| Unfunded liability recognized in Balance Sheet                 | 4,924.25  | 4,538.92  |

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

|                        |  |
|------------------------|--|
| Discount rate          | Reduction in discount rate in subsequent valuations can increase the plan's liability.   |
| Mortality & disability | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.   |
| Withdrawals            | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.       |
| Salary increase        | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability. |

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### Sensitivity Analysis

| Particulars  | 31.03.2019 | 31.03.2018 |
|--|------------|------------|
| <b>a) Impact of the change in discount rate</b>      |            |            |
| Present Value of Obligation at the end of the period | 4,924.25   | 4,538.92   |
| a) Impact due to increase of 0.50%                   | (31.26)    | 36.42      |
| b) Impact due to decrease of 0.50%                   | 33.39      | 38.53      |
| <b>b) Impact of the change in salary increase</b>    |            |            |
| Present Value of Obligation at the end of the period | 4,924.25   | 4,538.92   |
| a) Impact due to increase of 0.50%                   | 33.71      | 38.86      |
| b) Impact due to decrease of 0.50%                   | (31.83)    | (37.06)    |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the year.

| Maturity profile of defined benefit obligation | 31.03.2019 |
|--|------------|
| April 2019- March 2020                         | 3,719.20   |
| April 2020- March 2021                         | 20.86      |
| April 2021- March 2022                         | 631.29     |
| April 2022- March 2023                         | 9.25       |
| April 2023- March 2024                         | 10.65      |
| April 2024- March 2025                         | 73.60      |
| April 2025 onwards                             | 459.39     |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>29 FINANCE COST</b>                               | <b>Year ended</b> | <b>Year ended</b> |
|  | <b>31.03.2019</b> | <b>31.03.2018</b> |
| Interest others                                      | 510.66            | 472.34            |
| <b>Total</b>   | <b>510.66</b>     | <b>472.34</b>     |
| <b>30 DEPRECIATION AND AMORTIZATION EXPENSE</b>      |                   |                   |
| Property, plant and equipment                        | 1,741.02          | 1,512.27          |
| Investment property                                  | 368.14            | 368.14            |
| <b>Total</b>   | <b>2,109.16</b>   | <b>1,880.41</b>   |
| <b>31 OTHER EXPENSES</b>                             |                   |                   |
| Consultation & Professional Fee                      | 33,063.91         | 39,539.71         |
| Rates and taxes                                      | 14,934.19         | 14,006.63         |
| Security Services                                    | 5,143.55          | 5,677.43          |
| Advertisement expense                                | 3,917.44          | 4,469.79          |
| Postage & Telegram                                   | 7,081.09          | 2,681.61          |
| Printing & Stationery                                | 5,043.95          | 3,206.91          |
| Business Promotion                                   | 1,339.00          | -                 |
| Rental Expense                                       | 741.00            | 759.00            |
| Electricity Expenses                                 | 415.64            | 447.99            |
| Contribution towards Corporate Social Responsibility | 2,000.00          | 2,375.50          |
| Repairs & Maintenance:                               |                   |                   |
| -Building  | 659.08            | 2,395.14          |
| -Others  | 1,047.96          | 966.47            |
| Payment to Auditor:                                  |                   |                   |
| - Statutory Audit                                    | 590.00            | 1,032.50          |
| - Other services                                     | -                 | 23.60             |
| Legal Claims   | 285.00            | 715.21            |
| Other General Expenses                               | 5,345.62          | 3,557.09          |
| <b>Total</b>   | <b>81,607.43</b>  | <b>81,854.58</b>  |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

| 32 TAX EXPENSES               | Year ended<br>31.03.2019 | Year ended<br>31.03.2018  |
|-------------------------------|--------------------------|---------------------------|
| <b>Current Tax</b>            |                          |                           |
| -Income Tax                   | 25,973.70                | 22,943.93                 |
| -Income tax for earlier years | (501.40)                 | (121.43)                  |
|                               | <u>25,472.30</u>         | <u>22,822.50</u>          |
| <b>Deferred Tax</b>           | (1,404.03)               | (52,770.35)               |
| <b>Total</b>                  | <u><u>24,068.27</u></u>  | <u><u>(29,947.85)</u></u> |

**OTHER DISCLOSURES**

**33 EARNINGS PER SHARE**

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

| Particulars  | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|--|--------------------------|--------------------------|
| Opening equity shares (Nos.)   | 134,234,776              | 134,234,776              |
| Equity shares issued during the year (Nos.)  | -                        | -                        |
| Closing equity shares (Nos.)   | 134,234,776              | 134,234,776              |
| Weighted average number of equity shares used as denominator for Basic/ Diluted EPS (Nos.) | 134,234,776              | 134,234,776              |
| Net profit/(loss) after tax used as numerator for Basic/Diluted EPS (Amount in ₹ thousand) | 92,729.35                | 128,857.92               |
| Basic/Diluted earnings per Share (Amount in ₹)   | 0.69                     | 0.96                     |
| Face value per equity share (Amount in ₹)  | 10                       | 10                       |

**34 DIRECTOR'S REMUNERATION**

| Particulars                        | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|------------------------------------|--------------------------|--------------------------|
| Salary, allowances and perquisites | 2,575.60                 | 2,312.98                 |
| Leave Encashment                   | 1,002.50                 | -                        |
| Contribution to provident fund     | 173.23                   | 158.23                   |
| <b>Total</b>                       | <u><u>3,751.33</u></u>   | <u><u>2,471.21</u></u>   |

**Note :** Provision for gratuity, leave encashment and sick leave has been made for a company as a whole and separate figures applicable to an individual employee are not available and therefore have not been considered in the above figures.

**35 DISCLOSURE UNDER IND AS -17 "LEASES":**

The company has taken on lease office space under operating lease arrangements that are renewable on a periodic basis at the option of both the lessor and the lessee. The rent is subject to increase as per the prevalent market rates.

| Particulars  | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|--|--------------------------|--------------------------|
| Rent Paid during the year and recognised in Statement of Profit and Loss | 741.00                   | 759.00                   |

**36 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :**

| Particulars   | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| (a) Claims against the company not acknowledged as debts:       |                          |                          |
| - Demand raised by Indian Bank*                                 | 239,800.88               | 239,800.88               |
| - Other demand  | 36,305.07                | 12,893.33                |
| (b) Other demands for which the company is contingently liable: |                          |                          |
| -Sales Tax (Punjab VAT)   | 19,275.97                | 19,275.97                |

\* Indian Bank (Bank) has before Debt Recovery Tribunal (DRT), along with notice under SARFAESI Act, 2002, raised a demand of ₹ 2,39,800.88 thousand (after appropriating the company's FDR of ₹ 33,409.46 thousand which has been fully provided for) along with interest. DRT vide order dated 24<sup>th</sup> July, 2018, quashed the original application (OA) and SARFAESI proceedings considering it to be premature and untenable. Further, DRT gave a liberty to the Bank to proceed under the SARFAESI Act as and when it is held that the Bank has paid the amount by virtue of relevant provisions of the Indian Contract Act. Against this order, the Bank has filed appeal before Debt Recovery Appellate Tribunal (DRAT) which is pending for adjudication. Also refer note no 4 and 8

**Note :** Interest and other levies in addition to above to be ascertained at the time of final outcome of the adjudications.



**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**37 RELATED PARTY DISCLOSURES**

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

- (a) **Wholly owned subsidiary**  
Oswal Overseas Limited – Liquidated w.e.f. 28<sup>th</sup> February, 2018
- (b) **Associates**  
Oswal Greentech Limited
- (c) **Key Managerial Personnel**  
Mr. B.N. Gupta CEO & Whole Time Director  
Ms. Shikha Jain Independent Director  
Mr. Harnish Bindra Independent Director (Resigned w.e.f. 1<sup>st</sup> May, 2018)  
Mr. Vikram Independent Director (Resigned w.e.f. 15<sup>th</sup> June, 2018)  
Mr. Ramesh Kumar Khanna Independent Director  
Mr. Mohinder Pal Singh Independent Director  
Mr. Pulkit Gupta Independent Director (Appointed w.e.f. 15<sup>th</sup> May, 2018 & resigned w.e.f. 20<sup>th</sup> June, 2018)  
Mr. Praveen Chopra Chief Financial Officer
- (d) **Other related parties**  
Aruna Abhey Oswal Trust The entity is controlled by a key managerial person

**(B) Transactions with Related Parties in the ordinary course of business and at arms' length and outstanding balances as at the end of the year**

| Particulars                         | Description   | Current year | Previous year |
|-------------------------------------|---|--------------|---------------|
| <b>(a) Wholly owned Subsidiary</b>  |   |              |               |
| Oswal Overseas Limited              | <b>Transactions during the year</b>                                     |              |               |
|                                     | Proceeds from liquidation of subsidiary                                 | –            | 21,825.22     |
|                                     | Impairment losses on investment in subsidiary measured at cost reversed | –            | 6,478.61      |
| <b>(b) Associates</b>               |   |              |               |
| Oswal Greentech Limited             | <b>Transactions during the year</b>                                     |              |               |
|                                     | Office rental and maintenance paid                                      | 930.00       | 930.00        |
|                                     | <b>Balances outstanding at year end</b>                                 |              |               |
|                                     | Advance Rent  | –            | 53.68         |
|                                     | Security deposit given  | 187.50       | 187.50        |
|                                     | Investment  | 2,375,808.28 | 2,375,808.28  |
| <b>(c) Key Management personnel</b> |   |              |               |
|                                     | <b>Transactions during the year</b>                                     |              |               |
| (i) Mr. B. N. Gupta                 | Managerial Remuneration (Short term Employee benefits)                  | 2,575.60     | 2,312.98      |
|                                     | Managerial Remuneration (Other long term benefits)                      | 1,002.50     | –             |
|                                     | Managerial Remuneration (Post Employment benefits)                      | 173.23       | 158.23        |
| (ii) Mr. Praveen Chopra             | Managerial Remuneration (Short term Employee benefits)                  | 1,576.92     | 1,484.12      |
|                                     | Managerial Remuneration (Other long term benefits)                      | 141.48       | –             |
|                                     | Managerial Remuneration (Post Employment benefits)                      | 101.87       | 93.95         |
| (iii) Mrs. Shikha Jain              | Sitting Fees  | 240.00       | 65.00         |
| (iv) Mr. Harnish Bindra             | Sitting Fees  | –            | 20.00         |
| (v) Mr. Vikram                      | Sitting Fees  | 75.00        | 55.00         |
| (vi) Mr. Ramesh Kumar Khanna        | Sitting Fees  | 90.00        | –             |
| (vii) Mr. Mohinder Pal Singh        | Sitting Fees  | 75.00        | –             |
| (viii) Mr. Pulkit Gupta             | Sitting Fees  | 30.00        | –             |
|                                     | <b>Balance outstanding at year end</b>                                  |              |               |
| (i) Mr. B. N. Gupta                 | Managerial Remuneration payable   | 123.89       | 176.80        |
| (ii) Mr. Praveen Chopra             | Salary and Other Benefits Payable                                       | 71.81        | 51.11         |
| (iii) Mrs. Shikha Jain              | Sitting Fees Payable  | 54.00        | 58.50         |
| (iv) Mr. Harnish Bindra             | Sitting Fees Payable  | –            | 18.00         |
| (v) Mr. Vikram                      | Sitting Fees Payable  | –            | 49.50         |
| (vi) Mr. Ramesh Kumar Khanna        | Sitting Fees Payable  | 40.50        | –             |
| (vii) Mr. Mohinder Pal Singh        | Sitting Fees Payable  | 40.50        | –             |
| <b>(d) Other related parties</b>    |   |              |               |
| Aruna Abhey Oswal Trust             | <b>Transactions during the year</b>                                     |              |               |
|                                     | Rental Income   | 1,800.00     | 1,800.00      |

**Note:** Post employment benefits and other long term employee benefits in relation to Key Managerial Personnels have not been shown separately as these are determined on actuarial basis for the company as a whole.

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**38 SEGMENT INFORMATION**

For management purposes, the company is organised into business units based on its products and services and has two reportable segments, as follows:

- The real estate segment which comprise of activities in the real estate sector including development of real estate, trading of real estate assets etc.
- The investment segment comprise of extending in form of intercorporate deposits of the surplus funds, investment in equity instruments and other securities
- Unallocable segment comprise of activities which can not be allocated to any of the above two segments and none of the activities meet the quantitative thresholds to produce a reportable segment. The source of revenue comprise majorly of interest income on fixed deposits and miscellaneous income not allocable to reportable segments.

No operating segments have been aggregated to form the above reportable operating segments

| S No. | Particulars   | Current year        | Previous year       |
|-------|---|---------------------|---------------------|
| (a)   | <b>Segment Revenue (from external customers)</b>        |                     |                     |
|       | Investment  | 189,282.24          | 195,796.74          |
|       | Real Estate   | –                   | 223,680.86          |
|       | Unallocable   | 27,404.86           | 2,106.83            |
|       | <b>Total Segment Revenue</b>                            | <b>216,687.10</b>   | <b>421,584.43</b>   |
| (b)   | <b>Segment Result</b>                                   |                     |                     |
|       | Profit/(Loss) before tax and interest from each segment |                     |                     |
|       | Investment  | 173,380.30          | 158,293.98          |
|       | Real Estate   | (26,633.43)         | (24,819.98)         |
|       | Unallocable   | (29,438.59)         | (34,091.59)         |
|       | Less : Finance cost                                     | 510.66              | 472.34              |
|       | <b>Profit before Tax</b>                                | 116,797.62          | 98,910.07           |
|       | Less: Current Tax                                       | 25,472.30           | 22,822.50           |
|       | Less: Deferred Tax                                      | (1,404.03)          | (52,770.35)         |
|       | <b>Profit after Tax</b>                                 | <b>92,729.35</b>    | <b>128,857.92</b>   |
| (c)   | <b>Segment Assets</b>                                   |                     |                     |
|       | Investment  | 5,066,496.74        | 4,784,046.67        |
|       | Real Estate   | 659,173.21          | 878,295.58          |
|       | Unallocable   | 105,957.51          | 94,945.14           |
|       | <b>Total Assets</b>                                     | <b>5,831,627.46</b> | <b>5,757,287.39</b> |
| (d)   | <b>Segment Liabilities</b>                              |                     |                     |
|       | Investment  | 4,644.63            | 4,558.23            |
|       | Real Estate   | 4,378.44            | 1,682.42            |
|       | Unallocable   | 20,565.88           | 32,715.38           |
|       | <b>Total Liabilities</b>                                | <b>29,588.95</b>    | <b>38,956.03</b>    |
| (e)   | <b>Other Information</b>                                |                     |                     |
|       | <b>(i) Capital expenditure</b>                          |                     |                     |
|       | Investment  | –                   | –                   |
|       | Real Estate   | 6,979.38            | –                   |
|       | Unallocable   | 75.00               | 2,010.88            |
|       | <b>(ii) Interest revenue</b>                            |                     |                     |
|       | Investment  | 118,913.98          | 102,426.71          |
|       | Real Estate   | –                   | 2.66                |
|       | Unallocable   | 15.09               | 2,106.62            |
|       | <b>(iii) Depreciation</b>                               |                     |                     |
|       | Investment  | 368.14              | 368.14              |
|       | Real Estate   | 235.36              | 294.04              |
|       | Unallocable   | 1,505.66            | 1,218.23            |

**Note 1:** The company does not have any operations outside India and hence disclosure of geographic segments is not given.

**Note 2:** Revenue from two (two in previous year) customers exceeded 10% of the company's revenue viz. Nil (previous year ₹ 2,23,665.00 thousand) arising from sale of real estate under real estate segment and ₹ 97,463.84 thousand (previous year ₹ 45,191.17 thousand) arising from interest on inter-corporate deposits under investment segment.

**Note 3:** The interest expense and tax expense has not been disclosed by segment as the same is not allocable to any reportable segment.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### 39 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

#### I. Particulars of Loans given are as under:

| Borrower Company                       | As at 31.03.2019    | As at 31.03.2018  |
|--|---------------------|-------------------|
| Segue Enterprise Private Limited       | 20,000.00           | 27,500.01         |
| Jagran Developers Private Limited      | 467,500.00          | 467,500.00        |
| Opelina Finance and Investment Limited | 671,500.00          | 442,500.00        |
| Uppal Projects Private Limited         | 300,000.00          | —                 |
| Gagan Infraenergy Limited              | 166,000.00          | 5,000.00          |
| <b>TOTAL</b>                           | <b>1,625,000.00</b> | <b>942,500.01</b> |

All the above loans have been given for business purposes of the borrower.

II. Particulars of investment made are given in Note no. 5, 6 and 12

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

IV. Employee Loans given as per Company's policy have not been considered for the above disclosure.

### 40 FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 are as follows:

| Particulars  | As at 31.03.2019    |                     | As at 31.03.2018    |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Carrying value      | Fair value          | Carrying value      | Fair value          |
| <b>FINANCIAL ASSETS</b>  |                     |                     |                     |                     |
| <b>At fair value through other comprehensive income (FVTOCI)</b> |                     |                     |                     |                     |
| <b>Non Current</b>   |                     |                     |                     |                     |
| Investments  | 131,972.00          | 131,972.00          | 141,271.51          | 141,271.51          |
| <b>At fair value through profit or loss (FVTPL)</b>              |                     |                     |                     |                     |
| <b>Current</b>   |                     |                     |                     |                     |
| Investments  | 815,243.31          | 815,243.31          | 1,260,181.19        | 1,260,181.19        |
| <b>At amortised cost</b>   |                     |                     |                     |                     |
| <b>Non Current</b>   |                     |                     |                     |                     |
| i) Loans   | 833,357.30          | 833,357.30          | 943,357.31          | 943,357.31          |
| <b>Current</b>   |                     |                     |                     |                     |
| i) Trade receivables   | —                   | —                   | 222,783.50          | 222,783.50          |
| ii) Cash and cash equivalents                                    | 6,127.63            | 6,127.63            | 19,498.28           | 19,498.28           |
| iii) Bank Balances other than cash and cash equivalents          | 194.09              | 194.09              | 181.70              | 181.70              |
| iv) Loans  | 792,630.29          | 792,630.29          | 550.11              | 550.11              |
| v) Other financial assets  | 89,347.67           | 89,347.67           | 23,672.25           | 23,672.25           |
| <b>Total Financial Assets</b>                                    | <b>2,668,872.29</b> | <b>2,668,872.29</b> | <b>2,611,495.85</b> | <b>2,611,495.85</b> |
| <b>FINANCIAL LIABILITIES</b>                                     |                     |                     |                     |                     |
| <b>At amortised cost</b>   |                     |                     |                     |                     |
| <b>Current</b>   |                     |                     |                     |                     |
| (i) Other financial liabilities                                  | 8,861.92            | 8,861.92            | 8,963.70            | 8,963.70            |
| <b>Total Financial Liabilities</b>                               | <b>8,861.92</b>     | <b>8,861.92</b>     | <b>8,963.70</b>     | <b>8,963.70</b>     |

The fair value of the financial assets and liabilities is determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that fair value of trade receivables, cash and cash equivalents and other bank balances, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the transactions being entered into at arm's length. In respect of loans, the fair value equals the carrying value as the risk management mechanism established by the company indicates that no credit losses in the value of these loans.

#### DETAILS OF ASSETS PLEDGED AS COLLATERAL/SECURITY

The carrying amount of assets as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 that the company has provided as collateral for obtaining borrowings and other facilities from the bankers as follows:

| Particulars                                  | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Gross carrying amount of Investment Property | 293.24           | 293.24           |
| Fixed deposits with banks- Non current       | 33,409.46        | 33,409.46        |

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**41 FAIR VALUE HIERARCHY**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2018:

| Particulars   | Financial assets measured at FVTPL | Financial assets measured at FVTOCI | Assets for which fair value is disclosed |
|---|------------------------------------|-------------------------------------|--|
|   | Investment in Mutual funds         | Investment in equity instruments    | Investment properties                    |
| Carrying Value as at 31 <sup>st</sup> March, 2019       | 815,243.31                         | 131,972.00                          | 24,361.63                                |
| <b>Fair valuation as at 31<sup>st</sup> March, 2019</b> |                                    |                                     |  |
| Level 3   | –                                  | 131,972.00                          | 241,166.52                               |
| Level 2   | –                                  | –                                   | –  |
| Level 1   | 815,243.31                         | –                                   | –  |
| Carrying Value as at 31 <sup>st</sup> March, 2018       | 1,260,181.19                       | 141,271.51                          | 24,729.77                                |
| <b>Fair valuation as at 31<sup>st</sup> March, 2018</b> |                                    |                                     |  |
| Level 3   | –                                  | 141,271.51                          | 231,816.49                               |
| Level 2   | –                                  | –                                   | –  |
| Level 1   | 1,260,181.19                       | –                                   | –  |

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended on 31<sup>st</sup> March, 2019 or on 31<sup>st</sup> March 2018.

A one percent change in the unobservable inputs used in fair valuations of level 3 assets does not have a significant impact in its value.

The fair value of investments in mutual fund is determined on the basis of NAV of mutual fund declared on the last day of the financial year. The fair value of investment property disclosed in financial statements is determined based on the valuation report from an independent valuer. The determination of the valuation by the valuer is based on level 3 inputs like present market circle rates, location of the property, local enquiries, information from the local property brokers, latest market transactions etc. The fair value of the equity instruments measured at FVTOCI is determined on the basis of the valuation report of an independent valuer who determines the value as per the financials of the investee, use of available fair values of the investee's assets, assumptions suitable to the method of valuation adopted and key data from the management of the investor for valuation purposes as obtained from the investee.

**Impact in statement of profit and loss:**

| Particulars  | As at 31.03.2019  | As at 31.03.2018  |
|--|-------------------|-------------------|
| Opening Balance of investment valued using level 3 inputs                            | 141,271.51        | 143,069.85        |
| Add/(Less): Fair value changes for the year recognised in other comprehensive income | (9,299.51)        | (1,798.34)        |
| <b>Closing balances</b>  | <b>131,972.00</b> | <b>141,271.51</b> |

**42 FINANCIAL RISK MANAGEMENT**

The Company's principal financial assets include investment in equity instruments and mutual funds, Inter-corporate deposits, trade receivables, other receivables and cash & bank balances.

The Company's principal financial liabilities comprise creditor for expenses and other financial liabilities. These other financial liabilities mainly comprise of creditors for expenses and employee benefits payable.

The Company's activities expose it to credit risk and liquidity risk. The company is not exposed to any market risk, neither in form of interest rate risk as the debt instruments issued by the company (i.e. intercorporate deposits) bear a fixed rate of interest as per the inter-corporate deposit agreements nor any foreign exchange risk. The different types of risk the company is exposed to are as follows:

**(i) Credit risk**

Credit risk is the risk that customer or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's significant credit risk concentration is in its trade receivables and loans given [i.e. intercorporate deposits (ICD)] and interest receivable thereon aggregating to ₹ 16,55,469.69 thousand as at March 31, 2019 i.e., 62.03% (₹ 11,86,904.47 thousand as at March 31, 2018 i.e., 45.45%). The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the ICD parties on regular basis by analysing their default pattern, reviewing annual financial performance and creditworthiness as evident from their financial statements. The

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

company regularly assesses the increase in risk of default since initial recognition. The company considers a default of more than 6 months as an indicator for increased risk of default requiring the assessment of expected credit losses and resulting impairment, if any. The company uses a provision matrix to compute the expected credit losses (ECL) for trade receivables. The provision matrix takes into account internal and external credit risk factors and the company's historical experience for customers.

However, as at the date of balance sheet all parties were regular in meeting their contractual obligations and none of the financial assets are credit impaired. Credit risk on cash & cash equivalents and other bank balances is limited as the company holds these deposits with scheduled banks with high credit ratings.

Investments are primarily in equity instruments of companies. The management regularly values the investments from independent professional valuers to determine any impairment in the value of investments. Further, the company invests on short term basis in mutual funds having high credit rating from domestic credit rating agencies.

### Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment recognised represents the maximum credit exposure. The maximum credit exposure as at 31.03.2019 and as at 31.03.2018 is as follows:

| Particulars  | As at 31.03.2019    | As at 31.03.2018    |
|--|---------------------|---------------------|
| Investments (Non current and current)              | 947,215.31          | 1,401,452.70        |
| Loans (Non current and current)                    | 1,625,987.59        | 943,907.42          |
| Trade receivables                                  | –                   | 222,783.50          |
| Cash and cash equivalents                          | 6,127.63            | 19,498.28           |
| Bank Balances other than cash and cash equivalents | 194.09              | 181.70              |
| Others financial assets                            | 89,347.67           | 23,672.25           |
| <b>Total</b>                                       | <b>2,668,872.29</b> | <b>2,611,495.85</b> |

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The company does not have any significant financial liability as at March 31, 2019 or March 31, 2018 and Company has enough liquid funds in the form of cash and cash equivalents to meet its financial obligations as and when they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at March 31 2019, the company had a working capital of ₹ 23,24,699.40 thousand (Previous year ₹ 21,38,630.41 thousand). Further, the company has substantial pool of highly liquid financial assets like cash & cash equivalents, trade receivables and short term investments in mutual funds aggregating to ₹ 8,21,370.94 thousand (Previous year ₹ 15,02,462.97 thousand) as against the total current liabilities of ₹ 27,912.23 thousand (Previous year ₹ 37,472.65 thousand) which clearly establishes the strong liquidity position of the company.

The maturity analysis of the financial liabilities of the company as at 31.03.2019 is given as below:

| Particulars                 | As at 31.03.2019 |           |                   |
|-----------------------------|------------------|-----------|-------------------|
|                             | Less than 1 Year | 1-2 Years | 2 Years and above |
| Other financial liabilities | 8,861.92         | –         | –                 |
| <b>Total</b>                | <b>8,861.92</b>  | <b>–</b>  | <b>–</b>          |

The maturity analysis of the financial liabilities of the company as at 31.03.2018 is given as below:

| Particulars                 | As at 31.03.2018 |           |                   |
|-----------------------------|------------------|-----------|-------------------|
|                             | Less than 1 Year | 1-2 Years | 2 Years and above |
| Other financial liabilities | 8,963.70         | –         | –                 |
| <b>Total</b>                | <b>8,963.70</b>  | <b>–</b>  | <b>–</b>          |

### 43 INFORMATION (PURSUANT TO IND AS-37) - BRIEF PARTICULARS OF PROVISION ON DISPUTED LIABILITIES:

| Nature of Liability                        | Provident Fund                            | Civil Case                | Total            |
|--|---|---------------------------|------------------|
|  | Demand for contribution to provident fund | Share Certificate Dispute |                  |
| Opening Provision                          | 11,715.21                                 | –                         | 11,715.21        |
| Provision made during the year             | –   | 285.00                    | 285.00           |
| Provision reduced/utilised during the year | –   | –                         | –                |
| <b>Closing Provision</b>                   | <b>11,715.21</b>                          | <b>285.00</b>             | <b>12,000.21</b> |

- Notes:**
- The case for contribution to provident fund is pending before the apex court and will be paid on the basis of the final judgement.
  - Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
  - Remote risk possibility of cash outflows is presumed pertaining to contingent liabilities as listed in note no. 36.

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**44 OTHER NOTES**

- (i) **Capital management:** The company has only equity capital as the only source of capital and has no funds raised in form of borrowings. The company aims at utilising the capital in the most optimum manner. Hence the comprehensive disclosures required by Ind AS 1, in respect of capital management are not required.
- (ii) Average Net profit for the three immediately preceding financial years, as per Section 198 of the Companies Act, 2013 ("Act") is nil. Accordingly, company was not required to spend any amount on CSR activities as per Section 135 of the Act in the current and previous year.
- (iii) As per the internal assessment of the company, there is no non financial asset and investment in associate accounted for in accordance with IND AS 27 requiring allowance for impairment in compliance of IND AS 36 on "Impairment of Assets" other than already provided for, if any.
- (iv) Based on the information available with the company, there are no dues as at March 31, 2019 and March 31, 2018 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.
- (v) One of the shareholder of the company has filed a petition under section 241, 242 read with Sections 244 of the Companies Act, 2013 against the company seeking relief against various acts of oppression and mismanagement before the NCLT, Chandigarh. However, the company had challenged this petition on the grounds of its maintainability before NCLAT, New Delhi, hearing for which had been concluded and the judgement is reserved.

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As per our report of even date attached

For Agarwal & Dhandhanian  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

## INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Oswal Agro Mills Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Oswal Agro Mills Limited (hereinafter referred to as the “Holding Company”) and its associate, which comprise the consolidated balance sheet as at 31<sup>st</sup> March, 2019, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2019, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Holding Company and associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in or report

| Key Audit Matter  | How our audit addressed the Key Audit Matter  |
|---|---|
| Contingent liabilities; There are various pending cases against which demand has been raised by different authority.  | <p>For legal and regulatory matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the processes and control over legal matters;</li> <li>• Reviewing the Holding Company’s significant legal matters and other contractual claims;</li> <li>• performing substantive procedures on the underlying calculations of potential liability;</li> <li>• where relevant, reading external legal opinions obtained by management;</li> <li>• where relevant, obtaining written confirmation from external legal counsels on the status of the cases;</li> <li>• Reviewing the adequacy and completeness of the Holding company’s disclosures.</li> </ul> <p>Based on the work performed, we found the disclosures made by the management in notes 36 and 43 of the financial statements are sufficient.</p> |
| The Holding company has deferred tax assets in respect of long-term capital losses on sale of investment. There is inherent uncertainty involved in forecasting future taxable long-term capital gains, which determines the extent to which deferred tax assets are or are not recognized. | <p>Deferred tax assets in respect of deductible capital losses on sale of investments have been recognized to the extent of expected capital gains, being the difference between the fair market value and indexed cost as at the end of the reporting period, on disposal of the Investment property. In this regard we obtained the valuation report from an independent expert for determining the fair market value as on the reporting date and assessed the recoverability of the long-term capital losses against the future taxable profits, taking in to account the company’s tax position, and our knowledge and experience of the application of relevant tax legislation.</p> <p>Based on the work performed, we found the disclosures made by the management in note 9 of the financial statements are sufficient.</p>                |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in the term of requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company and its associate in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, respective Board of Directors of the Holding company and of its associate are responsible for assessing the ability of the Holding Company's and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of directors either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its associate are also responsible for overseeing the financial reporting process of the Holding Company and of its associate.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the holding company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the Holding Company and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and its associate included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law relating to the preparation of the Consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive income), the consolidated statement of changes in equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India, is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with respect to financial statements of the Holding Company and its associate which is incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and associate company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Holding Company and of its associate- Refer Note 36 to the consolidated financial statements;
  - ii. The Holding Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India.

For **Agarwal & Dhandhan**  
Chartered Accountants  
Firm Registration No. 125756W

Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019

**Sanjay Agarwal**  
(Partner)  
Membership No. 078579

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in our report of even date to the members of Oswal Agro Mills Limited on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2019

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to consolidated financial statements of **Oswal Agro Mills Limited** ("the Holding Company") and its associate as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company and its associate for the year ended on that date.

**Management's Responsibility for Internal Financial Controls with reference to consolidated financial statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with respect to financial statements and their operating effectiveness. Our audit of internal financial control with respect to financial statements included obtaining an understanding of internal financial control with respect to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with respect to financial statements**

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

**Inherent Limitations of Internal Financial Controls with respect to financial statements**

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

**Opinion**

In our opinion, the Holding Company and its associate incorporated in India, have, in all material respects, an adequate internal financial controls system with respect to financial statements and such internal financial controls with respect to financial statements were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal controls with respect to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Agarwal & Dhandhan**  
Chartered Accountants  
Firm Registration No. 125756W

Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019

**Sanjay Agarwal**  
(Partner)  
Membership No. 078579

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019**

(₹ in thousand)

| Particulars   | Note No. | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|----------|---------------------|---------------------|
| <b>I. ASSETS</b>  |          |                     |                     |
| <b>(1) Non-current assets</b>                           |          |                     |                     |
| (a) Property, Plant and Equipment                       | 3        | 52,489.47           | 47,176.11           |
| (b) Investment Property                                 | 4        | 24,361.63           | 24,729.77           |
| (c) Investment in associate                             | 5        | 3,915,129.74        | 3,743,839.19        |
| (d) Financial Assets                                    |          |                     |                     |
| (i) Investments   | 6        | 131,972.00          | 141,271.51          |
| (ii) Loans  | 7        | 833,357.30          | 943,357.31          |
| (iii) Other financial assets                            | 8        | -                   | -                   |
| (e) Deferred Tax Assets (net)                           | 9        | 46,918.90           | 45,514.87           |
| (f) Income Tax Assets (net)                             |          | 6,997.68            | 3,326.48            |
| (g) Other non-current assets                            | 10       | 7,110.57            | -                   |
|   |          | <b>5,018,337.29</b> | <b>4,949,215.24</b> |
| <b>(2) Current assets</b>                               |          |                     |                     |
| (a) Inventories   | 11       | 648,885.17          | 648,885.17          |
| (b) Financial Assets                                    |          |                     |                     |
| (i) Investments   | 12       | 815,243.31          | 1,260,181.19        |
| (ii) Trade Receivables                                  | 13       | -                   | 222,783.50          |
| (iii) Cash and cash equivalents                         | 14       | 6,127.63            | 19,498.28           |
| (iv) Bank Balances other than cash and cash equivalents | 15       | 194.09              | 181.70              |
| (v) Loans   | 16       | 792,630.29          | 550.11              |
| (vi) Other financial assets                             | 17       | 89,347.67           | 23,672.25           |
| (c) Other current assets                                | 18       | 183.47              | 350.86              |
|   |          | <b>2,352,611.63</b> | <b>2,176,103.06</b> |
| <b>Total Assets</b>                                     |          | <b>7,370,948.92</b> | <b>7,125,318.30</b> |
| <b>II. EQUITY AND LIABILITIES</b>                       |          |                     |                     |
| <b>(1) Equity</b>                                       |          |                     |                     |
| (a) Equity Share capital                                | 19       | 1,342,347.76        | 1,342,347.76        |
| (b) Other equity  | 20       | 5,999,012.21        | 5,744,014.51        |
|   |          | <b>7,341,359.97</b> | <b>7,086,362.27</b> |
| <b>Liabilities</b>                                      |          |                     |                     |
| <b>(2) Non-current liabilities</b>                      |          |                     |                     |
| (a) Provisions  | 21       | 1,676.72            | 1,483.38            |
|   |          | <b>1,676.72</b>     | <b>1,483.38</b>     |
| <b>(3) Current liabilities</b>                          |          |                     |                     |
| (a) Financial Liabilities                               |          |                     |                     |
| (i) Other financial liabilities                         | 22       | 8,861.92            | 8,963.70            |
| (b) Other current liabilities                           | 23       | 14,378.33           | 23,091.48           |
| (c) Provisions  | 24       | 4,671.98            | 5,417.47            |
|   |          | <b>27,912.23</b>    | <b>37,472.65</b>    |
| <b>Total Equity and Liabilities</b>                     |          | <b>7,370,948.92</b> | <b>7,125,318.30</b> |
| <b>III SIGNIFICANT ACCOUNTING POLICIES</b>              |          |                     |                     |
|   | <b>2</b> |                     |                     |

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

As per our report of even date attached

For Agarwal & Dhandhanja  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

(₹ in thousand)

| Particulars  | Note No. | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|--|----------|--------------------------|--------------------------|
| I Revenue from operations  | 25       | –                        | 223,665.00               |
| II Other income  | 26       | 216,687.10               | 192,159.89               |
| <b>III Total Income (I+II)</b>   |          | <b>216,687.10</b>        | <b>415,824.89</b>        |
| <b>IV Expenses:</b>  |          |                          |                          |
| Purchases of stock-in-trade  | 27       | –                        | 222,462.45               |
| Employee benefits expense  | 28       | 15,662.23                | 16,004.58                |
| Finance costs  | 29       | 510.66                   | 472.34                   |
| Depreciation and amortization expense  | 30       | 2,109.16                 | 1,880.41                 |
| Other expenses   | 31       | 81,607.43                | 82,440.60                |
| <b>Total expenses (IV)</b>   |          | <b>99,889.48</b>         | <b>323,260.38</b>        |
| <b>V Profit before tax (III-IV)</b>  |          | <b>116,797.62</b>        | <b>92,564.51</b>         |
| <b>VI Tax expense:</b>   | 32       |                          |                          |
| -Current tax   |          | 25,472.30                | 22,822.50                |
| -Deferred tax  |          | (1,404.03)               | (52,770.35)              |
| <b>VII Profit for the year after tax but before share of net profits of investments accounted for using equity method (V-VI)</b> |          | <b>92,729.35</b>         | <b>122,512.36</b>        |
| <b>VIII Share of net profit of associate accounted for using the equity method</b>   |          | 171,083.34               | 149,658.53               |
| <b>IX Profit for the year after tax (VII+VIII)</b>   |          | <b>263,812.69</b>        | <b>272,170.89</b>        |
| <b>X Other Comprehensive Income</b>  |          |                          |                          |
| <b>A. Items that will be reclassified to profit or loss</b>  |          |                          |                          |
| - Exchange differences gain/(loss) on translation of foreign operations  |          | –                        | (683.40)                 |
| - Share of other comprehensive income/(loss) of associate accounted for using equity method                                      |          | –                        | 4,072.92                 |
| - Income tax relating to these items   |          | –                        | –                        |
| <b>B. Items that will not be reclassified to profit or loss</b>  |          |                          |                          |
| - Fair value gain/(loss) on equity instruments through OCI   |          | (9,299.51)               | (1,798.34)               |
| - Net Gain/(loss) on remeasurement of defined benefit plan   |          | 277.31                   | (315.19)                 |
| - Share of other comprehensive income/(loss) of associate accounted for using equity method                                      |          | 207.21                   | (3,010.92)               |
| - Income tax relating to these items   |          | –                        | –                        |
| <b>Total Other Comprehensive Income/(Loss)</b>   |          | <b>(8,814.99)</b>        | <b>(1,734.93)</b>        |
| <b>XI Total Comprehensive income/(loss) for the year (IX+X)</b>  |          | <b>254,997.70</b>        | <b>270,435.96</b>        |
| <b>XII Profit/(Loss) for the year attributable to:</b>   |          |                          |                          |
| - Owners of the Company  |          | 263,812.69               | 272,170.89               |
| - Non-controlling interests  |          | –                        | –                        |
| <b>XIII Other comprehensive income/(loss) for the year attributable to</b>   |          |                          |                          |
| - Owners of the Company  |          | (8,814.99)               | (1,734.93)               |
| - Non-controlling interests  |          | –                        | –                        |
| <b>XIV Total comprehensive income for the year attributable to</b>   |          |                          |                          |
| - Owners of the Company  |          | 254,997.70               | 270,435.96               |
| - Non-controlling interests  |          | –                        | –                        |
| <b>XV Earnings per equity share (Face Value of ₹ 10/- each)</b>  | 33       |                          |                          |
| Basic/Diluted  |          | 1.97                     | 2.03                     |
| <b>XVI SIGNIFICANT ACCOUNTING POLICIES</b>   | 2        |                          |                          |

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

As per our report of even date attached

For Agarwal & Dhandhanja  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

(₹ in thousand)

| Particulars  | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|--|--------------------------|--------------------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                          |
| Profit before tax  | 116,797.62               | 92,564.51                |
| <b>Adjustments for:</b>  |                          |                          |
| - Depreciation and amortisation expense  | 2,109.16                 | 1,880.41                 |
| - Finance costs  | 510.66                   | 472.34                   |
| - Interest income on financial assets at amortised cost at EIR   | (118,929.07)             | (104,535.99)             |
| - Net gain on financial assets carried at FVTPL  | (26,658.93)              | (74,353.31)              |
| - Dividend income on financial assets carried at FVTPL   | (41,909.33)              | (10,738.11)              |
| - Rental Income on investment property   | (1,800.00)               | (1,800.00)               |
| - Non Cash Legal Claims  | 285.00                   | 715.21                   |
| - Provisions no longer required written back   | (55.00)                  | (0.21)                   |
| - Movement in provision for Gratuity, Leave Encashment and Sick leave  | (785.50)                 | 661.88                   |
| <b>Operating profit before working capital changes and tax</b>   | <b>(70,435.39)</b>       | <b>(95,133.27)</b>       |
| Adjustments for changes in working capital:  |                          |                          |
| - (Increase)/Decrease in trade receivables and other current assets  | 222,950.93               | (205,168.53)             |
| - (Increase)/Decrease in current and non-current financial assets  | (6,637.07)               | 176.06                   |
| - Increase/(Decrease) in other current liabilities   | (8,998.15)               | (3,755.28)               |
| - Increase/(Decrease) in other current financial liabilities   | (46.78)                  | 1,731.38                 |
| <b>Cash generated from operations before tax</b>   | <b>136,833.54</b>        | <b>(302,149.64)</b>      |
| - Income Taxes (Payment) / Refund  | (29,143.51)              | (17,842.86)              |
| <b>Net cash from/(used in) operating activities</b>  | <b>107,690.03</b>        | <b>(319,992.50)</b>      |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                          |                          |
| - Purchase of property, plant and equipment  | (7,054.38)               | (2,010.88)               |
| - Purchase of current investments  | (1,275,133.37)           | (1,321,500.00)           |
| - Sale of current investments  | 1,743,758.58             | 1,301,000.00             |
| - Extending of intercorporate loans  | (840,000.00)             | (600,000.00)             |
| - Repayment of intercorporate loans  | 157,500.00               | 692,500.00               |
| - Movement in Fixed Deposits   | (12.39)                  | 4,334.16                 |
| - Movement in Future and option contracts<br>(measured at fair value through profit and loss)                  | (58,867.49)              | -                        |
| - Rental Income on investment property received  | 1,800.00                 | 1,800.00                 |
| - Realised profit in trading of futures and options  | 2,849.12                 | -                        |
| - Realised profit in trading of mutual funds   | 122.46                   | -                        |
| - Dividend Received  | 43,897.42                | 8,750.02                 |
| - Interest Received  | 110,079.37               | 141,378.34               |
| <b>Net cash from/(used in) investing activities</b>  | <b>(121,060.68)</b>      | <b>226,251.64</b>        |
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                          |
| Movement in foreign currency translation reserve   | -                        | (683.40)                 |
| Finance cost paid  | -                        | (5.41)                   |
| <b>Net cash generated from/(used in) financing activities</b>  | <b>-</b>                 | <b>(688.81)</b>          |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>                                       | <b>(13,370.65)</b>       | <b>(94,429.67)</b>       |
| Cash and cash equivalents at the beginning of the year   | 19,498.28                | 113,927.95               |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>6,127.63</b>          | <b>19,498.28</b>         |
| <b>IV. Components of Cash and cash equivalents as per Note 14</b>  |                          |                          |
| Balances with banks  |                          |                          |
| - in Current Account   | 5,625.99                 | 18,982.36                |
| Cash on hand   | 501.64                   | 515.92                   |
| <b>Total</b>   | <b>6,127.63</b>          | <b>19,498.28</b>         |
| <b>V. Significant accounting policies and notes forms an integral part of consolidated financial statement</b> |                          |                          |

**Notes :**

- The above consolidated Cash flow statement has been prepared under the indirect method set out in Ind AS-7 notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For Agarwal & Dhandhanja  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**  
 (Amount in ₹ thousand unless otherwise stated)

**A. EQUITY SHARE CAPITAL**

| Particulars                           | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---------------------------------------|---------------------|---------------------|
| Balance at the beginning of the year  | 1,342,347.76        | 1,342,347.76        |
| - Addition/(Deletion) during the year | -                   | -                   |
| <b>Balance at the end of the year</b> | <b>1,342,347.76</b> | <b>1,342,347.76</b> |

**B. OTHER EQUITY**

| Particulars   | Reserves and Surplus       |                 |                   |                     | Other comprehensive income           |                                |                                       | Total               |
|---|----------------------------|-----------------|-------------------|---------------------|--------------------------------------|--------------------------------|---------------------------------------|---------------------|
|   | Securities Premium Reserve | Capital Reserve | General Reserve   | Retained Earnings   | Foreign Currency Translation Reserve | Equity Instruments through OCI | Remeasurement of defined benefit plan |                     |
| <b>Balance as at April 1, 2017</b>  | <b>4,464,882.64</b>        | <b>1,500.00</b> | <b>318,976.09</b> | <b>826,873.90</b>   | <b>(3,389.52)</b>                    | <b>(134,012.69)</b>            | <b>(1,251.87)</b>                     | <b>5,473,578.55</b> |
| Profit for the year 2017-18   | -                          | -               | -                 | 122,512.36          | -                                    | -                              | -                                     | 122,512.36          |
| Share of net profit of associate accounted for using the equity method for 2017-18                    | -                          | -               | -                 | 149,658.53          | -                                    | -                              | -                                     | 149,658.53          |
| Other comprehensive income/(loss) for 2017-18   | -                          | -               | -                 | -                   | -                                    | (1,798.34)                     | (315.19)                              | (2,113.53)          |
| Share of other comprehensive income/(loss) of associate accounted for using equity method for 2017-18 | -                          | -               | -                 | -                   | 4,072.92                             | (1,595.15)                     | (1,415.77)                            | 1,062.00            |
| Reclassified to statement of profit and loss  | -                          | -               | -                 | -                   | (683.40)                             | -                              | -                                     | (683.40)            |
| <b>Balance as at March 31, 2018</b>   | <b>4,464,882.64</b>        | <b>1,500.00</b> | <b>318,976.09</b> | <b>1,099,044.79</b> | <b>-</b>                             | <b>(137,406.18)</b>            | <b>(2,982.83)</b>                     | <b>5,744,014.51</b> |
| Profit for the year for 2018-19   | -                          | -               | -                 | 92,729.35           | -                                    | -                              | -                                     | 92,729.35           |
| Share of net profit of associate accounted for using the equity method for 2018-19                    | -                          | -               | -                 | 171,083.34          | -                                    | -                              | -                                     | 171,083.34          |
| Other comprehensive income/(loss) for 2018-19   | -                          | -               | -                 | -                   | -                                    | (9,299.51)                     | 277.31                                | (9,022.20)          |
| Share of other comprehensive income/(loss) of associate accounted for using equity method for 2018-19 | -                          | -               | -                 | -                   | -                                    | (1.73)                         | 208.94                                | 207.21              |
| <b>Balance as at March 31, 2019</b>   | <b>4,464,882.64</b>        | <b>1,500.00</b> | <b>318,976.09</b> | <b>1,362,857.48</b> | <b>-</b>                             | <b>(146,707.42)</b>            | <b>(2,496.58)</b>                     | <b>5,999,012.21</b> |

**Significant accounting policies and notes form an integral part of consolidated financial statements.**

As per our report of even date attached

For Agarwal & Dhandhanja  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**  
(Amount in ₹ thousand unless otherwise stated)**1.A. GROUP'S OVERVIEW**

Oswal Agro Mills Limited (holding company) is a listed company incorporated and domiciled in India and has its principal place of business at 7th Floor, Antriksh Bhawan, Kasturba Gandhi Marg, Connaught Place, New Delhi- 110001. The holding company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The principal business of the holding company is trading of residential/commercial flats/plot of lands and development of residential townships. Further, the holding company also lends its surplus funds as interest bearing inter-corporate deposits. The consolidated financial statements are approved for issue by the holding company's board of directors on May 24, 2019. The group consists of an associate company dealing in real estate business.

**1.B. PRINCIPALS OF CONSOLIDATION****Associates**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation and presentation of consolidated financial statements****(a) Basis of preparation of consolidated financial statements**

These consolidated financial statements have been prepared and presented on a going concern basis under the historical cost convention (except for certain financial instruments which are measured at fair values), on the accrual basis of accounting and comply with the Indian Accounting Standards prescribed by Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after, other pronouncements of the Institute of Chartered Accountants of India, guidelines issued by Securities and exchange board of India (SEBI) and the relevant provisions of the Companies Act, 2013 (to the extent notified)/Companies Act, 1956.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(b) Statement of compliance with Ind ASs**

The consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

**(c) Basis of Measurement**

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis except for the employees' defined benefits and other long-term employee benefits obligations and Investments measured at fair value through profit and loss (FVTPL)/ fair value through other comprehensive income (FVTOCI) that have been measured at fair value as required by relevant Ind AS.

**(d) Use of Estimates and Judgements**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- i) **Income taxes:** The holding Company's tax jurisdiction is India. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

- ii) **Provisions and Contingencies:** The assessments undertaken in recognising the provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.
- iii) **Post Employment benefit plan:** Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase and the inflation rate. The group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.
- iv) **Other estimates:** The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns etc.

### (e) Functional and Presentation Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is the holding company's functional and presentation currency. The financial figures in the consolidated financial statements have been rounded off to ₹ thousand upto two decimals unless otherwise specified.

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Financial Instruments

#### i) Financial Assets

Financial assets comprise investments in equity instruments, mutual funds, security deposits, inter-corporate deposits, trade receivables, Cash and cash equivalents and other eligible assets.

#### Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date on which the group commits to purchase or sell the asset.

#### Subsequent Measurement:

**Financial Assets measured at amortised cost:** Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These financial assets are subsequently carried at amortized cost using the effective interest method, less any impairment loss. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

Assets at amortised cost are represented by inter corporate deposits, trade receivables, security deposits, cash and cash equivalents and other eligible current and non-current financial assets.

**Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment towards principal and interest (SPPI) on principal outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

**Equity instruments other than investment in associates:** The management determines at the initial recognition of investments in Equity instruments whether to measure it at FVTPL or FVTOCI. However, the equity instruments held for trading are always classified at fair value through Profit or Loss (FVTPL). The classification of investments at FVTOCI is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognised in other comprehensive income (OCI). On derecognition of the equity instrument measured at FVTOCI, cumulative gain or loss previously recognised in OCI are not subsequently transferred to P&L. However, the holding company may transfer the cumulative gain or loss within equity.

**Financial assets at fair value through Profit or Loss (FVTPL):** Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. Fair value changes are recognised in Statement of Profit and Loss.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of financial asset in its entirety the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in Statement of Profit and Loss.

### Impairment of financial assets:

Trade receivables, contract assets, receivables under Ind AS 109, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses (ECL) for the respective financial asset. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Consolidated Statement of Profit and Loss. The approach followed by the group for recognising the impairment loss is given below:

#### i) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. The group estimates the following provision matrix at the reporting date:

| Period past due      | Default rate |
|----------------------|--------------|
| 0 to 6 months        | 0%           |
| 6 to 12 months       | 5%           |
| more than 12 months  | 10%          |
| doubtful receivables | 100%         |

#### ii) Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

#### ii) Financial liabilities:

Financial liabilities comprise trade payables and other eligible liabilities.

#### Initial recognition and measurement:

Financial liabilities are initially recognised at fair value. Any transaction costs that are attributable to the acquisition of the financial liabilities (except financial liabilities at fair value through profit or loss) are deducted from the fair value of financial liabilities.

#### Subsequent measurement

i) **Financial liabilities at amortised cost:** The group has classified the following under amortised cost:

- a) Trade payables
- b) Other eligible financial liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the cumulative amortisation using the effective interest rate (EIR) method of any difference between that initial amount and the maturity amount.

**Financial liabilities at fair value through profit or loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

#### Derecognition of financial liabilities

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

#### iii) Off setting of financial assets and financial liabilities:

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### iv) Reclassification of financial assets

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or financial liabilities that are specifically designated at FVTPL. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### B. Inventories

Inventories are valued as under:

**Land and plots** other than area transferred to construction work-in-progress of constructed properties are valued at lower of cost or net realisable value. Cost includes land acquisition cost and land development cost. Cost of land and plots is determined on specific identification basis.

**Construction work-in-progress** of constructed properties include the cost of land, internal development costs, external development charges, construction costs, overheads, borrowing cost, development/construction materials and is valued at lower of cost/estimate cost and net realisable value.

**Trading of real estate-** the cost includes purchase and other costs in bringing the inventory in their present location and condition. Cost is determined specific identification basis.

### C. Property, Plant and Equipment

Property, Plant and Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. The cost comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Cost of self constructed asset include the cost of material, direct labour and any other costs directly attributable to bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognised net within "Other income/ Other expenses" in the Statement of Profit and Loss

The cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

#### Subsequent costs

The cost of replacing part of an item of Property, Plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

#### Depreciation

Depreciation on property, plant & equipment other than in relation to Chembur project is provided pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

Depreciation on tangible assets in relation to Project at Chembur is provided on the Written Down Value method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

| Category            | Useful life (Years) |
|---------------------|---------------------|
| Buildings           | 60                  |
| Furniture & Fixture | 10                  |
| Plant & Machinery   | 15                  |
| Office Equipment    | 5                   |
| Computer            | 3                   |
| Vehicles            | 8                   |

**NOTES (CONTD...)****(Amount in ₹ thousand unless otherwise stated)**

The group follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and have useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset.

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from property, plant & equipment is provided for up to the date of sale/adjustment, as the case may be.

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

**D. Intangible assets**

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

**Amortisation of Intangible assets**

Intangible assets are amortised on straight line method on pro-rata basis over a period of three years.

**E. Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The group depreciates building component of investment property over 60 years from the date of original purchase as per the requirement of Schedule II of the Companies Act, 2013. The leasehold investment properties are amortised over the term of the lease.

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**F. Foreign currency transactions and balances**

Transactions in foreign currencies are initially recognised in the consolidated financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non- monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non- monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognised in the Statement of Profit and Loss for determination of net profit or loss during the period.

**G. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

**H. Leases****Operating leases**

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

**I. Deposits provided to lessor**

The company is generally required to pay refundable security deposits in order to obtain property leases from various lessor. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

### J. Revenue

Effective April 1, 2018, the group adopted Ind AS 115 "Revenue from Contracts with Customers" as per para C3 of IND AS 115 i.e., retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, applied to contracts that were not completed as of April 1, 2018. In accordance with the aforesaid method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2 "Significant Accounting Policies," in consolidated financial statements in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. There was no effect on adoption of Ind AS 115.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from the sale of Flat/Plots is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc).

Interest income is recognized as it accrues in consolidated Statement of Profit and Loss using the effective interest method.

### K. Impairment of non-financial assets

The carrying amount of the group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from the continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment losses are recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

#### Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

### L. Earnings per share (EPS)

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### M. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, cash at banks, demand deposits, short-term deposits with an balance maturity of three months or less as at the balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less from the balance sheet date and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### N. Employee Benefits

#### i) Short Term Benefits

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

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**ii) Post Employment Benefits**

The group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The group has the following post employment benefit plans:

**Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

**iii) Other long term employee benefits****Earned Leave Encashment and Sick Leave**

The employees of the group are entitled to earned leaves and sick leaves. The employees can carry forward a portion of the unutilised earned leaves and utilise it in future periods or receive cash at retirement or termination of employment. The employees can carry forward the unutilised sick leaves and utilise it in future periods and it lapses at retirement or termination of employment. The group records an obligation for earned leave and sick leaves in the period in which the employee renders the services that increases this entitlement. The group measures the expected cost of earned leave and sick leave as the additional amount that the group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The group recognizes accumulated earned leave and sick leave based on actuarial valuation. Non-accumulating leave encashment are recognized in the period in which the absences occur. The group recognizes actuarial gains and losses immediately in the statement of profit and loss.

**O. Provisions & Contingencies**

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**P. Income Taxes**

Income tax comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**Current tax**

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**Deferred tax**

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### 3 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

#### 3.1 Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- **Full retrospective** – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- **Modified retrospective** – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The group has elected certain available practical expedients on transition. The impact of the same is being evaluated by the group.

#### 3.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition -

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is expected to be insignificant in the consolidated financial statements.

#### 3.3 Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The group does not have any impact on account of this amendment.

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**NOTES RELATED TO CONSOLIDATED BALANCE SHEET**

**3 PROPERTY, PLANT AND EQUIPMENT**

The following table shows changes in Property, Plant and Equipment during the year ended 31<sup>st</sup> March, 2019

| Particulars          | Gross carrying amount |                 |                          |                     | Accumulated Depreciation |                 |                                   |                     | Net carrying amount |                     |
|----------------------|-----------------------|-----------------|--------------------------|---------------------|--------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                      | As at<br>01.04.2018   | Additions       | Disposal/<br>Adjustments | As at<br>31.03.2019 | As at<br>01.04.2018      | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2019 | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>Land</b>          |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 11,356.81             | -               | -                        | 11,356.81           | -                        | -               | -                                 | -                   | 11,356.81           | 11,356.81           |
| <b>Buildings</b>     |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 34,674.65             | -               | -                        | 34,674.65           | 2,614.65                 | 871.55          | -                                 | 3,486.20            | 31,188.45           | 32,060.00           |
| Plant & Equipments   | 1,833.38              | -               | -                        | 1,833.38            | 377.02                   | 262.04          | -                                 | 639.06              | 1,194.32            | 1,456.36            |
| Furniture & Fixtures | 140.03                | -               | -                        | 140.03              | 75.57                    | 18.59           | -                                 | 94.16               | 45.87               | 64.46               |
| Vehicles             | 2,738.00              | 6,979.38        | -                        | 9,717.38            | 656.45                   | 586.22          | -                                 | 1,242.67            | 8,474.71            | 2,081.55            |
| Office Equipment     | 241.65                | 75.00           | -                        | 316.65              | 105.91                   | 2.62            | -                                 | 108.53              | 208.12              | 135.74              |
| <b>Others</b>        |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Computers           | 21.47                 | -               | -                        | 21.47               | 0.28                     | -               | -                                 | 0.28                | 21.19               | 21.19               |
| <b>Total</b>         | <b>51,005.99</b>      | <b>7,054.38</b> | <b>-</b>                 | <b>58,060.37</b>    | <b>3,829.88</b>          | <b>1,741.02</b> | <b>-</b>                          | <b>5,570.90</b>     | <b>52,489.47</b>    | <b>47,176.11</b>    |

The following table shows changes in Property, Plant and Equipment during the year ended 31<sup>st</sup> March, 2018

| Particulars          | Gross carrying amount |                 |                          |                     | Accumulated Depreciation |                 |                                   |                     | Net carrying amount |                     |
|----------------------|-----------------------|-----------------|--------------------------|---------------------|--------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                      | As at<br>01.04.2017   | Additions       | Disposal/<br>Adjustments | As at<br>31.03.2018 | As at<br>01.04.2017      | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 |
| <b>Land</b>          |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 11,356.81             | -               | -                        | 11,356.81           | -                        | -               | -                                 | -                   | 11,356.81           | 11,356.81           |
| <b>Buildings</b>     |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Freehold            | 34,674.65             | -               | -                        | 34,674.65           | 1,743.10                 | 871.55          | -                                 | 2,614.65            | 32,060.00           | 32,931.55           |
| Plant & Equipments   | 1,833.38              | -               | -                        | 1,833.38            | 63.96                    | 313.06          | -                                 | 377.02              | 1,456.36            | 1,769.42            |
| Furniture & Fixtures | 140.03                | -               | -                        | 140.03              | 49.44                    | 26.13           | -                                 | 75.57               | 64.46               | 90.59               |
| Vehicles             | 727.12                | 2,010.88        | -                        | 2,738.00            | 355.04                   | 301.41          | -                                 | 656.45              | 2,081.55            | 372.08              |
| Office Equipments    | 241.65                | -               | -                        | 241.65              | 105.79                   | 0.12            | -                                 | 105.91              | 135.74              | 135.86              |
| <b>Others</b>        |                       |                 |                          |                     |                          |                 |                                   |                     |                     |                     |
| -Computers           | 21.47                 | -               | -                        | 21.47               | 0.28                     | -               | -                                 | 0.28                | 21.19               | 21.19               |
| <b>Total</b>         | <b>48,995.11</b>      | <b>2,010.88</b> | <b>-</b>                 | <b>51,005.99</b>    | <b>2,317.61</b>          | <b>1,512.27</b> | <b>-</b>                          | <b>3,829.88</b>     | <b>47,176.11</b>    | <b>46,677.50</b>    |

**4 INVESTMENT PROPERTY**

The following table shows changes in Investment property during the year ended 31<sup>st</sup> March, 2019

| Particulars      | Gross carrying amount |           |                          |                     | Accumulated Depreciation/Amortisation |                 |                                   |                     | Net carrying amount |                     |
|------------------|-----------------------|-----------|--------------------------|---------------------|---------------------------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                  | As at<br>01.04.2018   | Additions | Disposal/<br>Adjustments | As at<br>31.03.2019 | As at<br>01.04.2018                   | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2019 | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>Land</b>      |                       |           |                          |                     |                                       |                 |                                   |                     |                     |                     |
| -Leasehold       | 293.24                | -         | -                        | 293.24              | 13.26                                 | 4.42            | -                                 | 17.68               | 275.56              | 279.98              |
| -Freehold        | 3,088.24              | -         | -                        | 3,088.24            | -                                     | -               | -                                 | -                   | 3,088.24            | 3,088.24            |
| <b>Buildings</b> |                       |           |                          |                     |                                       |                 |                                   |                     |                     |                     |
| -Freehold        | 22,452.71             | -         | -                        | 22,452.71           | 1,091.16                              | 363.72          | -                                 | 1,454.88            | 20,997.83           | 21,361.55           |
| <b>Total</b>     | <b>25,834.19</b>      | <b>-</b>  | <b>-</b>                 | <b>25,834.19</b>    | <b>1,104.42</b>                       | <b>368.14</b>   | <b>-</b>                          | <b>1,472.56</b>     | <b>24,361.63</b>    | <b>24,729.77</b>    |



## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

The following table shows changes in Investment property during the year ended 31<sup>st</sup> March, 2018

| Particulars      | Gross carrying amount |           |                          | Accumulated Depreciation/Amortisation |                     |                 |                                   | Net carrying amount |                     |                     |
|------------------|-----------------------|-----------|--------------------------|---------------------------------------|---------------------|-----------------|-----------------------------------|---------------------|---------------------|---------------------|
|                  | As at<br>01.04.2017   | Additions | Disposal/<br>Adjustments | As at<br>31.03.2018                   | As at<br>01.04.2017 | For the<br>Year | Adjustments<br>During the<br>Year | As at<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 |
| <b>Land</b>      |                       |           |                          |                                       |                     |                 |                                   |                     |                     |                     |
| -Leasehold       | 293.24                | –         | –                        | 293.24                                | 8.84                | 4.42            | –                                 | 13.26               | 279.98              | 284.40              |
| -Freehold        | 3,088.24              | –         | –                        | 3,088.24                              | –                   | –               | –                                 | –                   | 3,088.24            | 3,088.24            |
| <b>Buildings</b> |                       |           |                          |                                       |                     |                 |                                   |                     |                     |                     |
| -Freehold        | 22,452.71             | –         | –                        | 22,452.71                             | 727.44              | 363.72          | –                                 | 1,091.16            | 21,361.55           | 21,725.27           |
| <b>Total</b>     | <b>25,834.19</b>      | <b>–</b>  | <b>–</b>                 | <b>25,834.19</b>                      | <b>736.28</b>       | <b>368.14</b>   | <b>–</b>                          | <b>1,104.42</b>     | <b>24,729.77</b>    | <b>25,097.91</b>    |

Other disclosures as per IND AS 40 “Investment Property”:

| (i) Amount recognised in Statement of profit and loss for investment properties | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| Rental income   | 1,800.00                 | 1,800.00                 |
| Direct operating expenses from property that generated rental income            | –                        | –                        |
| Direct operating expenses from property that did not generate rental income     | 3,604.78                 | 2,629.37                 |

### (ii) Contractual Obligations and restrictions

- (a) The property situated at Mandideep, Madhya Pradesh having the gross carrying value of ₹ 293.24 thousand (Previous year ₹ 293.24 thousand) and net carrying value of ₹ 275.56 thousand (previous year ₹ 279.98 thousand) has been kept as security against the facility obtained by holding company in earlier years from Indian bank with which the legal dispute is going on as per Note No. 36.
- (b) The Holding Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than in the note (a) above.

### (iii) Leasing arrangements

One of the investment properties is leased under non-cancellable operating lease with rental payable monthly for a period of 29 years and 11 months. Minimum future lease payments receivable under non-cancellable operating lease of investment property are as follows-

|  | Current year | Previous year |
|--|--------------|---------------|
| Within one year                                | 1,800.00     | 1,800.00      |
| later than one year but not later than 5 years | 7,200.00     | 7,200.00      |
| later than 5 years                             | 40,350.00    | 42,150.00     |

### (iv) Fair Value of investment property

|                       | As at 31-03-2019 | As at 31-03-2018 |
|-----------------------|------------------|------------------|
| Investment properties | 241,166.52       | 231,816.49       |

#### Estimation of fair value

The holding company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of source including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by Mr. Paramjeet Singh, accredited registered valuer holding the recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The main inputs used are the local enquiries and prevailing market trends adjusted for location, size, utility, condition and other factors having influence over the fair value. All resulting fair value estimates for investment properties are included in level 3.

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**NON-CURRENT ASSETS**

**5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

**Interest in other entities**

(a) **Interest in associates**

| Name of entity           | Principal place of business | Ownership interest held by the group | Accounting method |
|--------------------------|-----------------------------|--------------------------------------|-------------------|
| Oswal Greentech Limited* | India                       | 35.58%                               | Equity Method     |

\* The company engages primarily in real estate business. It is a strategic investment and may collaborate with the group's knowledge in real estate

(b) **Investments accounted for using the equity method**

| Name of Entity          | Carrying amount  |                  | Quoted fair value |                  |
|-------------------------|------------------|------------------|-------------------|------------------|
|                         | As at 31.03.2019 | As at 31.03.2018 | As at 31.03.2019  | As at 31.03.2018 |
| Oswal Greentech Limited | 3,915,129.74     | 3,743,839.19     | 1,423,765.88      | 2,362,281.65     |

Aggregate amount of quoted investments 3,915,129.74 3,743,839.19

Aggregate market value of quoted investments 1,423,765.88 2,362,281.65

Aggregate amount of un-quoted investments – –

Aggregate amount of impairment in value of investments – –

(c) **Summarised financial information for associate**

The table below provides summarised financial information for associate that are material to the group. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associate.

| Summarised balance sheet                          | Oswal Greentech Limited |               |
|---|-------------------------|---------------|
|   | 31.03.2019              | 31.03.2018    |
| Current Assets                                    | 13,882,397.93           | 12,833,804.52 |
| Non Current Assets                                | 9,680,133.85            | 10,265,797.79 |
| Current Liabilities                               | 370,893.67              | 394,461.61    |
| Non Current Liabilities                           | 33,555.13               | 28,420.80     |
| Net Assets (Total Assets minus total liabilities) | 23,158,082.98           | 22,676,719.90 |
| Revenue   | 1,125,043.85            | 1,033,339.11  |
| Profit/(loss) after tax                           | 480,780.78              | 420,572.60    |
| Other Comprehensive income                        | 582.30                  | 2,984.33      |
| Total Comprehensive income                        | 481,363.08              | 423,556.93    |

(d) **Reconciliation of the carrying amounts of the investment in associate accounted for using the equity method:**

| Particulars                                   | Oswal Greentech Limited |               |
|---|-------------------------|---------------|
|   | 31.03.2019              | 31.03.2018    |
| Opening net assets                            | 22,676,719.90           | 22,253,162.97 |
| Profit for the year                           | 480,780.78              | 420,572.60    |
| Other comprehensive income                    | 582.30                  | 2,984.33      |
| Closing net assets                            | 23,158,082.98           | 22,676,719.90 |
| Group's share in %                            | 35.58%                  | 35.58%        |
| Group's share in ₹ thousands                  | 8,240,683.33            | 8,069,392.78  |
| Less: proportion of pre-acquisition net worth | 4,325,553.59            | 4,325,553.59  |
| Carrying amount of investment                 | 3,915,129.74            | 3,743,839.19  |

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### FINANCIAL ASSETS

| 6 INVESTMENTS   | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|---------------------|---------------------|
| <b>Investments in Equity Instruments</b>  |                     |                     |
| <b>Investment at fair value through other comprehensive income (FVTOCI), (Unquoted)</b>         |                     |                     |
| <b>Other Company</b>  |                     |                     |
| <b>P C Media Systems Limited</b>  |                     |                     |
| 1,44,51,500 Equity Shares (31 <sup>st</sup> March, 2018: 1,44,51,500) of ₹ 10/- each fully paid | 131,972.00          | 141,271.51          |
| <b>Total</b>  | <b>131,972.00</b>   | <b>141,271.51</b>   |
| Aggregate amount and market value of quoted investments   | -                   | -                   |
| Aggregate amount of un-quoted investments   | 131,972.00          | 141,271.51          |
| Aggregate amount of impairment in value of investments  | -                   | -                   |

| 7 LOANS                                    |                   |                   |
|--|-------------------|-------------------|
| <b><i>(Unsecured, considered good)</i></b> |                   |                   |
| Security deposits*                         | 857.30            | 857.30            |
| Other loans                                |                   |                   |
| -Inter-corporate deposits (ICD)            | 832,500.00        | 942,500.01        |
| <b>Total</b>                               | <b>833,357.30</b> | <b>943,357.31</b> |

\*Includes deposit with related party of ₹ 187.50 thousand (31<sup>st</sup> March, 2018: ₹ 187.50 thousand)

| 8 OTHER FINANCIAL ASSETS                     |             |             |
|--|-------------|-------------|
| Fixed Deposits with banks (For Margin Money) | 33,409.46   | 33,409.46   |
| Less: Allowance for credit losses*           | (33,409.46) | (33,409.46) |
| <b>Total</b>                                 | <b>-</b>    | <b>-</b>    |

\*Allowance in respect of fixed deposits encashed by Indian Bank. Refer note 36

### 9 DEFERRED TAX (ASSETS)/LIABILITIES (NET)

(a) **Deferred tax (assets)/liabilities relate to the following:**

| Particulars   | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|---------------------|---------------------|
| <b>Deferred Tax Liabilities</b>   |                     |                     |
| Mutual Funds measured at FVTPL  | 214.54              | 1,929.16            |
|   | <b>214.54</b>       | <b>1,929.16</b>     |
| <b>Deferred Tax Assets</b>  |                     |                     |
| Employee benefits expense   | (1,766.21)          | (2,009.53)          |
| Property, Plant and Equipment and Investment Property                       | (10,133.73)         | (10,181.27)         |
| Deductible capital losses under Income Tax Act, 1961 on sale of investments | (35,233.50)         | (35,253.23)         |
|   | <b>(47,133.44)</b>  | <b>(47,444.03)</b>  |
| <b>Net Deferred Tax (assets)/liabilities recognised in Balance Sheet</b>    | <b>(46,918.90)</b>  | <b>(45,514.87)</b>  |

(b) **Movement in deferred tax (assets)/liabilities:**

| Particulars   | Property, Plant and Equipment and Investment Property | Employee benefits expense | Indexation benefit under Income Tax Act, 1961 on lands included in Investment Property | Deductible capital losses on sale of investment [refer note 9(f)] | Mutual Funds measured at fair value through profit & Loss (FVTPL) | Total              |
|---|---|---------------------------|--|---|---|--------------------|
| <b>Balance as at March 31, 2017</b>                         | <b>7,646.07</b>                                       | <b>(1,592.19)</b>         | -  | -   | <b>1,201.60</b>   | <b>7,255.48</b>    |
| Charged/(Credited) to Profit or Loss in 2017-18             | (7,646.07)  | (417.34)                  | (10,181.27)  | (35,253.23)   | 727.56  | (52,770.35)        |
| Charged/(Credited) to Other Comprehensive Income in 2017-18 | -   | -                         | -  | -   | -   | -                  |
| <b>Balance as at March 31, 2018</b>                         | <b>-</b>  | <b>(2,009.53)</b>         | <b>(10,181.27)</b>   | <b>(35,253.23)</b>  | <b>1,929.16</b>   | <b>(45,514.87)</b> |
| Charged/(Credited) to Profit or Loss in 2018-19             | -   | 243.32                    | 47.54  | 19.73   | (1,714.62)  | (1,404.03)         |
| Charged/(Credited) to Other Comprehensive Income in 2018-19 | -   | -                         | -  | -   | -   | -                  |
| <b>Balance as at March 31, 2019</b>                         | <b>-</b>  | <b>(1,766.21)</b>         | <b>(10,133.73)</b>   | <b>(35,233.50)</b>  | <b>214.54</b>   | <b>(46,918.90)</b> |

**NOTES (Contd...)**

(Amount in ₹ thousand unless otherwise stated)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars   | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| Accounting profit/(loss) before tax expense   | 116,797.62               | 92,564.51                |
| Enacted tax rates in India  | 27.82%                   | 27.55%                   |
| Taxed at India's statutory income tax rate  | 32,493.10                | 25,503.84                |
| <b>Effect of:</b>   |                          |                          |
| Non deductible expense  | (7,990.70)               | (6,950.69)               |
| Exempt non-operating income   | –                        | (2,908.41)               |
| Income tax for earlier years  | (501.40)                 | (121.43)                 |
| DTA on Indexation benefit under Income Tax Act, 1961 on lands under Investment Property | 47.54                    | (10,181.27)              |
| DTA on capital losses   | 19.73                    | (35,253.23)              |
| Non-taxable income  | –                        | (36.66)                  |
| <b>Income tax expense recognised in Statement of Profit and Loss</b>                    | <b>24,068.27</b>         | <b>(29,947.85)</b>       |

(d) The tax rates under Indian Income Tax Act, 1961 for financial year 2018-19 is 27.82% (Previous year 2017-18 is 27.55%)

(e) **Unrecognised temporary differences**

| Particulars   | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|---------------------|---------------------|
| i) The amount of deductible temporary differences on investments in equity shares for which no deferred tax asset is recognised                           | 740,661.63          | 706,429.73          |
| ii) The amount of unused long term capital losses as per Income Tax Act, 1961 on transfer of equity shares for which no deferred tax asset is recognised* | 46,480.20           | 53,462.90           |
| <b>Potential tax benefit @ 22.26% (P.Y. 23.30%)</b>   | <b>175,186.29</b>   | <b>177,024.59</b>   |

\* The losses are available for use till F.Y 2024-25 (A.Y 2025-26)

(f) Deferred tax assets in respect of deductible capital losses on sale of investments have been recognised to the extent of expected capital gains, being the difference between the fair market value and indexed cost as at the end of the reporting period, arising on disposal of Investment properties.

**NON-FINANCIAL ASSETS**

**10 OTHER NON-CURRENT ASSETS**

|                  |                 |          |
|------------------|-----------------|----------|
| Other receivable | 7,110.57        | –        |
| <b>Total</b>     | <b>7,110.57</b> | <b>–</b> |

**CURRENT ASSETS**

**11 INVENTORIES**

(At lower of cost and net realisable value)

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| -Land at Chembur, Mumbai | 648,885.17        | 648,885.17        |
| <b>Total</b>             | <b>648,885.17</b> | <b>648,885.17</b> |

**Note:** During the year NCLAT had directed the holding company not to sell the land without its prior permission or till the final decision of the appeals whichever is earlier.

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### FINANCIAL ASSETS

| 12 INVESTMENTS   | As at<br>31.03.2019 | As at<br>31.03.2018 |
|--|---------------------|---------------------|
| <b>Investments at fair value through profit or loss (FVTPL)</b>  |                     |                     |
| <b>Investment in Mutual Funds (Unquoted)</b>   |                     |                     |
| 64,070.56 units (31 <sup>st</sup> March, 2018 83,927.36 units) of LIC MF - Liquid Fund - Growth Plan                                       | 215,739.84          | 263,180.17          |
| Nil units (31 <sup>st</sup> March, 2018 2,48,76,202.36 units) DSP Black Rock Arbitrage Fund- Monthly Dividend (Regular plan)               | –                   | 250,304.35          |
| 3,25,47,425.71 units (31 <sup>st</sup> March, 2018 3,25,47,425.71 units) Kotak Equity Arbitrage Fund- Monthly Dividend (Regular plan)      | 348,530.85          | 348,023.11          |
| 49,65,535.36 units (31 <sup>st</sup> March, 2018 2,48,36,081.86 units) L & T Arbitrage Opportunities Fund- Monthly Dividend (Regular plan) | 50,132.04           | 249,503.28          |
| 94,07,219.73 units (31 <sup>st</sup> March, 2018 94,07,219.73 units) UTI Spread Fund - Dividend payout                                     | 150,561.61          | 149,170.28          |
| 0.596 units (31 <sup>st</sup> March, 2018 Nil units) HDFC Liquid Fund - Growth Plan  | 2.19                | –                   |
| 16,485.63 units (31 <sup>st</sup> March, 2018 Nil units) UTI Mutual Fund - Liquid Cash Plan  | 50,276.76           | –                   |
| 0.01 units (31 <sup>st</sup> March, 2018 Nil units) Kotak Liquid - Regular Plan  | 0.02                | –                   |
| <b>Total</b>   | <b>815,243.31</b>   | <b>1,260,181.19</b> |
| (a) Aggregate amount and market value of quoted investments  | –                   | –                   |
| (b) Aggregate amount of unquoted investments   | 815,243.31          | 1,260,181.19        |
| (c) Aggregate amount of impairment in value of investments   | –                   | –                   |
| <b>13 TRADE RECEIVABLES</b>  |                     |                     |
| <b>(Unsecured, considered good)</b>  |                     |                     |
| Trade receivables- sale of real estate   | –                   | 222,783.50          |
| <b>Total</b>   | <b>–</b>            | <b>222,783.50</b>   |
| <b>14 CASH AND CASH EQUIVALENTS</b>  |                     |                     |
| Balances with banks  |                     |                     |
| -current account   | 5,625.99            | 18,982.36           |
| Cash on hand   | 501.64              | 515.92              |
| <b>Total</b>   | <b>6,127.63</b>     | <b>19,498.28</b>    |
| <b>15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>   |                     |                     |
| Fixed Deposits with banks  | 194.09              | 181.70              |
| <b>Total</b>   | <b>194.09</b>       | <b>181.70</b>       |
| <b>16 LOANS</b>  |                     |                     |
| <b>(Unsecured, considered good)</b>  |                     |                     |
| Other loans  |                     |                     |
| - Inter corporate Deposit  | 792,500.00          | –                   |
| - Loan to employees  | 130.29              | 550.11              |
| <b>Total</b>   | <b>792,630.29</b>   | <b>550.11</b>       |
| <b>17 OTHER FINANCIAL ASSETS</b>   |                     |                     |
| Interest receivable  | 30,480.18           | 21,630.48           |
| Future and option contracts (measured at fair value through profit and loss)   | 58,867.49           | –                   |
| Dividend receivable  | –                   | 1,988.09            |
| Other receivables*   | –                   | 53.68               |
| <b>Total</b>   | <b>89,347.67</b>    | <b>23,672.25</b>    |
| *from related party  |                     |                     |

**NOTES (Contd...)**

(Amount in ₹ thousand unless otherwise stated)

**NON-FINANCIAL ASSETS**

| 18 OTHER CURRENT ASSETS              | As at<br>31.03.2019 | As at<br>31.03.2018 |
|--------------------------------------|---------------------|---------------------|
| Advances other than capital advances |                     |                     |
| - Other advances                     | 183.47              | 350.86              |
| <b>Total</b>                         | <b>183.47</b>       | <b>350.86</b>       |

**EQUITY AND LIABILITIES**

| 19 SHARE CAPITAL  |                     |                     |
|---|---------------------|---------------------|
| <b>Authorized:</b>  |                     |                     |
| 30,00,00,000 (31 <sup>st</sup> March 2018: 30,00,00,000) Equity Shares of ₹ 10/- each               | 3,000,000.00        | 3,000,000.00        |
| 1,00,00,000 (31 <sup>st</sup> March 2018: 1,00,00,000) Redeemable Preference Shares of ₹ 100/- each | 1,000,000.00        | 1,000,000.00        |
| <b>Total</b>  | <b>4,000,000.00</b> | <b>4,000,000.00</b> |
| <b>Issued , Subscribed and fully paid-up:</b>   |                     |                     |
| 13,42,34,776 (31 <sup>st</sup> March 2018: 13,42,34,776) Equity Shares of ₹ 10/- each               | 1,342,347.76        | 1,342,347.76        |
| <b>Total</b>  | <b>1,342,347.76</b> | <b>1,342,347.76</b> |

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

| Particulars                                   | No. of Shares | Amount       |
|---|---------------|--------------|
| <b>As at March 31, 2017</b>                   | 134,234,776   | 1,342,347.76 |
| Add/(less): Issued/(redeemed) during the year | -             | -            |
| <b>As at March 31, 2018</b>                   | 134,234,776   | 1,342,347.76 |
| Add/(less): Issued/(redeemed) during the year | -             | -            |
| <b>As at March 31, 2019</b>                   | 134,234,776   | 1,342,347.76 |

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

| Particulars                 | No. of shares | % of holding |
|-----------------------------|---------------|--------------|
| <b>As at March 31, 2018</b> |               |              |
| - Aruna Oswal               | 56,026,460    | 41.74%       |
| <b>As at March 31, 2019</b> |               |              |
| - Aruna Oswal               | 56,026,460    | 41.74%       |

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

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

| 20 OTHER EQUITY                           | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|---------------------|---------------------|
| <b>(a) Reserve and Surplus</b>            |                     |                     |
| <b>Securities Premium Reserve</b>         |                     |                     |
| Balance at the commencement of the year   | 4,464,882.64        | 4,464,882.64        |
| Add: Additions/(Deletion) during the year | -                   | -                   |
| <b>Balance at the end</b>                 | <b>4,464,882.64</b> | <b>4,464,882.64</b> |
| <b>Capital Reserve</b>                    |                     |                     |
| Balance at the commencement of the year   | 1,500.00            | 1,500.00            |
| Add: Additions/(Deletion) during the year | -                   | -                   |
| <b>Balance at the end</b>                 | <b>1,500.00</b>     | <b>1,500.00</b>     |
| <b>General Reserve</b>                    |                     |                     |
| Balance at the commencement of the year   | 318,976.09          | 318,976.09          |
| Add: Additions/(Deletion) during the year | -                   | -                   |
| <b>Balance at the end</b>                 | <b>318,976.09</b>   | <b>318,976.09</b>   |
| <b>Retained earnings</b>                  |                     |                     |
| Balance at the commencement of the year   | 1,099,044.79        | 826,873.90          |
| Add: Profit/(loss) for the year           | 263,812.69          | 272,170.89          |
| <b>Balance at the end</b>                 | <b>1,362,857.48</b> | <b>1,099,044.79</b> |

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

|   | As at<br>31.03.2019        | As at<br>31.03.2018        |
|---|----------------------------|----------------------------|
| <b>(b) Other Components of Equity</b>                           |                            |                            |
| <b>Foreign Currency Translation Reserve</b>                     |                            |                            |
| Balance at the commencement of the year                         | –                          | (3,389.52)                 |
| Add: Additions/(Deletion) during the year                       | –                          | 4,072.92                   |
| Less: Reclassified to statement of profit and loss              | –                          | (683.40)                   |
| <b>Balance at the end</b>                                       | <u>–</u>                   | <u>–</u>                   |
| <b>Fair value gain/(loss) on equity instruments through OCI</b> |                            |                            |
| Balance at the commencement of the year                         | (137,406.18)               | (134,012.69)               |
| Add: Additions/(Deletion) during the year                       | (9,301.24)                 | (3,393.49)                 |
| <b>Balance at the end</b>                                       | <u>(146,707.42)</u>        | <u>(137,406.18)</u>        |
| <b>Remeasurement of net defined benefit plan</b>                |                            |                            |
| Balance at the commencement of the year                         | (2,982.83)                 | (1,251.87)                 |
| Add: Additions/(Deletion) during the year                       | 486.25                     | (1,730.96)                 |
| Balance at the end  | <u>(2,496.58)</u>          | <u>(2,982.83)</u>          |
| <b>Total (a+b)</b>  | <u><u>5,999,012.21</u></u> | <u><u>5,744,014.51</u></u> |

### NATURE AND PURPOSE OF COMPONENTS OF OTHER EQUITY:

#### Securities Premium Reserve

Securities premium reserve represents premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### Capital Reserve

It includes central investment subsidy received in earlier years

#### General Reserve

This represents appropriation of profit by the Group. In the absence of any transfer to the General Reserve, there has been no movement in the General Reserve this year.

#### Retained Earnings

Retained earnings comprise of the Group's prior years' undistributed earnings after taxes.

#### Equity instruments through OCI

This represents the gain/(loss) on remeasurement of equity instruments through other comprehensive income

#### Remeasurement of net defined benefit plan

This represents the gain/(loss) on remeasurement of net defined benefit plan.

### NON-CURRENT LIABILITIES

#### 21 PROVISIONS

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| Provisions for employee benefits | 1,676.72        | 1,483.38        |
| <b>Total</b>                     | <u>1,676.72</u> | <u>1,483.38</u> |

### CURRENT LIABILITIES

#### FINANCIAL LIABILITIES

#### 22 OTHER FINANCIAL LIABILITIES

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| Others                      |                 |                 |
| Creditors for expenses*     | 4,741.65        | 8,195.58        |
| Employee benefits payable** | 771.53          | 768.12          |
| Other payable               | 3,348.74        | –               |
| <b>Total</b>                | <u>8,861.92</u> | <u>8,963.70</u> |

\*Includes payable to related party of ₹ 135.00 thousand (31<sup>st</sup> March 2018: ₹ 126.00 thousand)

\*\*Includes payable to related party ₹ 195.70 thousand (31<sup>st</sup> March 2018: ₹ 227.91 thousand)

### NON-FINANCIAL LIABILITIES

#### 23 OTHER CURRENT LIABILITIES

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Others                      |                  |                  |
| Payable against litigations | 12,000.21        | 11,715.21        |
| Duties & taxes payable      | 2,378.12         | 1,279.02         |
| Other payable               | –                | 10,097.25        |
| <b>Total</b>                | <u>14,378.33</u> | <u>23,091.48</u> |

#### 24 PROVISIONS

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| Provisions for employee benefits | 4,671.98        | 5,417.47        |
| <b>Total</b>                     | <u>4,671.98</u> | <u>5,417.47</u> |

**NOTES (Contd...)**

(Amount in ₹ thousand unless otherwise stated)

**NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

| 25 | REVENUE FROM OPERATIONS  | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|----|--|--------------------------|--------------------------|
|    | <b>Sale of products</b>  |                          |                          |
|    | - Real Estate  | -                        | 223,665.00               |
|    | <b>Total</b>   | <u>-</u>                 | <u>223,665.00</u>        |
| 26 | <b>OTHER INCOME</b>  |                          |                          |
|    | <b>Interest Income</b>   |                          |                          |
|    | - Interest income at EIR (including interest on income tax refund) | 118,929.07               | 104,535.99               |
|    | <b>Other non operating income</b>                                  |                          |                          |
|    | - Net gain on financial assets carried at FVTPL                    | 26,658.93                | 74,353.31                |
|    | - Rental Income  | 1,800.00                 | 1,800.00                 |
|    | - Provisions no longer required written back                       | 55.00                    | 0.21                     |
|    | - Dividend income on financial assets carried at FVTPL             | 41,909.33                | 10,738.11                |
|    | - Reclassification of foreign currency translation reserve         | -                        | 683.40                   |
|    | - Claim in respect of legal dispute                                | 27,334.77                | -                        |
|    | - Miscellaneous Income   | -                        | 48.87                    |
|    | <b>Total</b>   | <u>216,687.10</u>        | <u>192,159.89</u>        |
| 27 | <b>PURCHASES OF STOCK IN TRADE</b>                                 |                          |                          |
|    | Purchase of Real Estate  | -                        | 222,462.45               |
|    | <b>Total</b>   | <u>-</u>                 | <u>222,462.45</u>        |
| 28 | <b>EMPLOYEE BENEFITS EXPENSE</b>                                   |                          |                          |
|    | Salaries and wages   | 14,022.70                | 14,399.29                |
|    | Contribution to provident and other funds                          | 994.91                   | 966.16                   |
|    | Staff welfare expenses   | 644.62                   | 639.13                   |
|    | <b>Total</b>   | <u>15,662.23</u>         | <u>16,004.58</u>         |
|    | <b>1) Defined Contribution Plan:</b>                               | <b>Current year</b>      | <b>Previous year</b>     |
|    | Contribution to Provident fund                                     | 874.01                   | 807.79                   |
|    | <b>2) Defined Benefit plan:</b>                                    |                          |                          |
|    | <b>I. Gratuity</b>   |                          |                          |

The Company operates an unfunded gratuity plan. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

- a. The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
- b. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date
- c. Actuarial gains and losses are recognised immediately in other comprehensive income in Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

The amounts recognized in the statement of Profit & Loss Account for the year and previous year are as follows:-

| Particulars   | Gratuity (Unfunded)<br>Year ended 31.03.2019 | Gratuity (Unfunded)<br>Year ended 31.03.2018 |
|---|--|--|
| <b>Recognised in profit and loss</b>                  |  |  |
| Current service cost                                  | 326.76                                       | 322.00                                       |
| Interest Cost   | 335.88                                       | 290.79                                       |
| Past service cost including curtailment gains/losses  | -  | 677.50                                       |
| <b>Total</b>  | <b>662.64</b>                                | <b>1,290.29</b>                              |
| <b>Recognised in other comprehensive income</b>       |  |  |
| Actuarial Gain/(Loss)                                 | 277.31                                       | (315.19)                                     |
| <b>Total</b>  | <b>277.31</b>                                | <b>(315.19)</b>                              |
| <b>Expected contribution in the next year</b>         | <b>557.46</b>                                | <b>525.66</b>                                |
| <b>Assumptions</b>                                    |  |  |
| Mortality rates inclusive of provision for disability | 100% of IALM (2006 - 08)                     |  |
| Retirement Age (years)                                | 60   | 60   |
| Ages  |  |  |
| Up to 30 Years  | 3.00   | 3.00   |
| From 31 to 44 years                                   | 2.00   | 2.00   |
| Above 44 years  | 1.00   | 1.00   |
| Discount Rate   | 7.40   | 7.40   |
| Future Salary Increase                                | 6.00   | 6.00   |



**NOTES (Contd...)**

(Amount in ₹ thousand unless otherwise stated)

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**Mortality Rates for specimen ages:**

| Age | Mortality Rate | Age | Mortality Rate | Age | Mortality Rate |
|-----|----------------|-----|----------------|-----|----------------|
| 15  | 0.000614       | 45  | 0.002874       | 75  | 0.039637       |
| 20  | 0.000888       | 50  | 0.004946       | 80  | 0.060558       |
| 25  | 0.000984       | 55  | 0.007888       | 85  | 0.091982       |
| 30  | 0.001056       | 60  | 0.011534       | 90  | 0.138895       |
| 35  | 0.001282       | 65  | 0.017009       | 95  | 0.208585       |
| 40  | 0.001803       | 70  | 0.025855       | 100 | 0.311628       |

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**The following table sets out the status of the gratuity:**

| Particulars  | Gratuity (Unfunded) for the year ended 31.03.2019 | Gratuity (Unfunded) for the year ended 31.03.2018 |
|--|---|---|
| <b>Change in present benefit obligations</b>                   |   |   |
| Present value of obligation as at the beginning of the Year    | 4,538.92  | 3,983.43  |
| Interest Cost  | 335.88  | 290.79  |
| Acquisition adjustment   | –   | –   |
| Current service cost   | 326.76  | 322.00  |
| Past Service Cost including curtailment gains/losses           | –   | 677.50  |
| Benefits Paid  | –   | (1,049.98)  |
| Actuarial (Gain)/Loss - Experience Adjustment                  | (271.46)  | 285.92  |
| Actuarial (Gain)/Loss - Demographic Assumptions                | –   | –   |
| Actuarial (Gain)/Loss - Financial Assumptions                  | (5.85)  | 29.26   |
| <b>Present value of obligation as at the end of Year</b>       | <b>4,924.25</b>                                   | <b>4,538.92</b>                                   |
| Present value of obligation as at the end of Year- current     | 3,719.20  | 3,463.99  |
| Present value of obligation as at the end of Year- non-current | 1,205.05  | 1,074.93  |
| <b>Change in plan assets</b>                                   |   |   |
| Fair value of plan assets at the beginning of the year         | –   | –   |
| Actual return on plan assets                                   | –   | –   |
| Employer contribution  | –   | –   |
| Benefits paid  | –   | –   |
| <b>Fair value of plan assets at the end of the year</b>        | <b>–</b>  | <b>–</b>  |
| <b>Balance Sheet and related analysis</b>                      |   |   |
| Present Value of the obligation at end                         | 4,924.25  | 4,538.92  |
| Fair value of plan assets                                      | –   | –   |
| Unfunded Liability/provision in Balance Sheet                  | 4,924.25  | 4,538.92  |
| Unfunded liability recognized in Balance Sheet                 | 4,924.25  | 4,538.92  |

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

|                        |  |
|------------------------|--|
| Discount rate          | Reduction in discount rate in subsequent valuations can increase the plan's liability.   |
| Mortality & disability | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.   |
| Withdrawals            | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.       |
| Salary increase        | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability. |

**NOTES (Contd...)**

(Amount in ₹ thousand unless otherwise stated)

**NOTES (CONTD...)**

(Amount in ₹ thousand unless otherwise stated)

**Sensitivity Analysis**

| Particulars  | 31.03.2019 | 31.03.2018 |
|--|------------|------------|
| <b>a) Impact of the change in discount rate</b>      |            |            |
| Present Value of Obligation at the end of the period | 4,924.25   | 4,538.92   |
| a) Impact due to increase of 0.50%                   | (31.26)    | 36.42      |
| b) Impact due to decrease of 0.50%                   | 33.39      | 38.53      |
| <b>b) Impact of the change in salary increase</b>    |            |            |
| Present Value of Obligation at the end of the period | 4,924.25   | 4,538.92   |
| a) Impact due to increase of 0.50%                   | 33.71      | 38.86      |
| b) Impact due to decrease of 0.50%                   | (31.83)    | (37.06)    |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the year.

| Maturity profile of defined benefit obligation | 31.03.2019 |
|--|------------|
| April 2019 - March 2020                        | 3,719.20   |
| April 2020 - March 2021                        | 20.86      |
| April 2021 - March 2022                        | 631.29     |
| April 2022 - March 2023                        | 9.25       |
| April 2023 - March 2024                        | 10.65      |
| April 2024 - March 2025                        | 73.60      |
| April 2025 onwards                             | 459.39     |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>29 FINANCE COST</b>                               | <b>Year ended</b> | <b>Year ended</b> |
|  | <b>31.03.2019</b> | <b>31.03.2018</b> |
| Interest others                                      | 510.66            | 472.34            |
| <b>Total</b>   | <b>510.66</b>     | <b>472.34</b>     |
| <b>30 DEPRECIATION AND AMORTIZATION EXPENSE</b>      |                   |                   |
| Property, plant and equipment                        | 1,741.02          | 1,512.27          |
| Investment property                                  | 368.14            | 368.14            |
| <b>Total</b>   | <b>2,109.16</b>   | <b>1,880.41</b>   |
| <b>31 OTHER EXPENSES</b>                             |                   |                   |
| Consultation & Professional Fee                      | 33,063.91         | 39,539.71         |
| Rates and taxes                                      | 14,934.19         | 14,006.63         |
| Security Services                                    | 5,143.55          | 5,677.43          |
| Advertisement expense                                | 3,917.44          | 4,469.79          |
| Postage & Telegram                                   | 7,081.09          | 2,681.61          |
| Printing & Stationery                                | 5,043.95          | 3,206.91          |
| Business Promotion                                   | 1,339.00          | -                 |
| Rental Expense                                       | 741.00            | 759.00            |
| Electricity Expenses                                 | 415.64            | 447.99            |
| Contribution towards Corporate Social Responsibility | 2,000.00          | 2,375.50          |
| Repairs & Maintenance:                               |                   |                   |
| - Building   | 659.08            | 2,395.14          |
| - Others   | 1,047.96          | 966.47            |
| Payment to Auditor:                                  |                   |                   |
| - Statutory Audit                                    | 590.00            | 1,070.88          |
| - Other services                                     | -                 | 23.60             |
| Legal Claims   | 285.00            | 715.21            |
| Net loss on foreign currency transaction             | -                 | 175.23            |
| Other General Expenses                               | 5,345.62          | 3,929.50          |
| <b>Total</b>   | <b>81,607.43</b>  | <b>82,440.60</b>  |

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

| 32 TAX EXPENSES               | Year ended<br>31.03.2019 | Year ended<br>31.03.2018  |
|-------------------------------|--------------------------|---------------------------|
| <b>Current Tax</b>            |                          |                           |
| -Income Tax                   | 25,973.70                | 22,943.93                 |
| -Income tax for earlier years | (501.40)                 | (121.43)                  |
|                               | <u>25,472.30</u>         | <u>22,822.50</u>          |
| <b>Deferred Tax</b>           | (1,404.03)               | (52,770.35)               |
| <b>Total</b>                  | <u><u>24,068.27</u></u>  | <u><u>(29,947.85)</u></u> |

## OTHER DISCLOSURES

### 33 EARNINGS PER SHARE

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

| Particulars  |             |             |
|--|-------------|-------------|
| Opening equity shares (Nos.)   | 134,234,776 | 134,234,776 |
| Equity shares issued during the year (Nos.)  | -           | -           |
| Closing equity shares (Nos.)   | 134,234,776 | 134,234,776 |
| Weighted average number of equity shares used as denominator for Basic/ Diluted EPS (Nos.) | 134,234,776 | 134,234,776 |
| Net profit/(loss) after tax used as numerator for Basic/Diluted EPS (Amount in ₹ thousand) | 2,63,812.69 | 272,170.89  |
| Basic/Diluted earnings per Share (Amount in ₹)   | 1.97        | 2.03        |
| Face value per equity share (Amount in ₹)  | 10          | 10          |

### 34 DIRECTOR'S REMUNERATION

|                                    |                        |                        |
|------------------------------------|------------------------|------------------------|
| Salary, allowances and perquisites | 2,575.60               | 2,312.98               |
| Leave Encashment                   | 1,002.50               | -                      |
| Contribution to provident fund     | 173.23                 | 158.23                 |
| <b>Total</b>                       | <u><u>3,751.33</u></u> | <u><u>2,471.21</u></u> |

**Note :** Provision for gratuity, leave encashment and sick leave has been made for the holding company as a whole and separate figures applicable to an individual employee are not available and therefore have not been considered in the above figures.

### 35 DISCLOSURE UNDER IND AS -17 "LEASES":

The holding company has taken on lease office space under operating lease arrangements that are renewable on a periodic basis at the option of both the lessor and the lessee. The rent is subject to increase as per the prevalent market rates.

| Particulars  |        |        |
|--|--------|--------|
| Rent Paid during the year and recognised in Statement of Profit and Loss | 741.00 | 759.00 |

### 36 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

|   |            |            |
|---|------------|------------|
| (a) Claims against the group not acknowledged as debts:       |            |            |
| - Demand raised by Indian Bank*                               | 239,800.88 | 239,800.88 |
| - Other demand  | 36,305.07  | 12,893.33  |
| (b) Other demands for which the group is contingently liable: |            |            |
| - Sales Tax (Punjab VAT)                                      | 19,275.97  | 19,275.97  |

\* Indian Bank (Bank) has before Debt Recovery Tribunal (DRT), along with notice under SARFAESI Act, 2002, raised a demand of ₹ 2,39,800.88 thousand (after appropriating the holding company's FDR of ₹ 33,409.46 thousand which has been fully provided for) along with interest. DRT vide order dated 24<sup>th</sup> July, 2018, quashed the original application(OA) and SARFAESI proceedings considering it to be premature and untenable. Further, DRT gave a liberty to the Bank to proceed under the SARFAESI act as and when it is held that the Bank has paid the amount by virtue of relevant provisions of the Indian Contract Act. Against this order, the Bank has filed appeal before Debt Recovery Appellate Tribunal (DRAT) which is pending for adjudication. Also refer note no 4 and 8

**Note :** Interest and other levies in addition to above to be ascertained at the time of final outcome of the adjudications.

**NOTES (Contd...)**
**(Amount in ₹ thousand unless otherwise stated)**
**37 RELATED PARTY DISCLOSURES**
**(A) Related parties and transactions with them as identified by the management are given below:**
**(a) Associates**

Oswal Greentech Limited

**(b) Key Managerial Personnel**

|                         |  |
|-------------------------|--|
| Mr. B.N. Gupta          | CEO & Whole Time Director  |
| Ms. Shikha Jain         | Independent Director   |
| Mr. Harnish Bindra      | Independent Director (Resigned w.e.f. 1 <sup>st</sup> May, 2018)   |
| Mr. Vikram              | Independent Director (Resigned w.e.f. 15 <sup>th</sup> June, 2018)   |
| Mr. Ramesh Kumar Khanna | Independent Director   |
| Mr. Mohinder Pal Singh  | Independent Director   |
| Mr. Pulkit Gupta        | Independent Director (Appointed w.e.f. 15 <sup>th</sup> May, 2018 & resigned w.e.f. 20 <sup>th</sup> June, 2018) |
| Mr. Praveen Chopra      | Chief Financial Officer  |

**(c) Other related parties**

Aruna Abhey Oswal Trust      The entity is controlled by a key managerial person

**(B) Transactions with Related Parties in the ordinary course of business and at arms' length and outstanding balances as at the end of the year**

| Particulars                         | Description  | Current year | Previous year |
|-------------------------------------|--|--------------|---------------|
| <b>(a) Associate</b>                |  |              |               |
| Oswal Greentech Limited             | <b>Transactions during the year</b>                    |              |               |
|                                     | Office rental and maintenance paid                     | 930.00       | 930.00        |
|                                     | <b>Balances outstanding at year end</b>                |              |               |
|                                     | Advance Rent   | –            | 53.68         |
|                                     | Security deposit given                                 | 187.50       | 187.50        |
|                                     | Investment   | 3,915,129.74 | 3,743,839.19  |
| <b>(b) Key Management personnel</b> |  |              |               |
|                                     | <b>Transactions during the year</b>                    |              |               |
| (i) Mr. B. N. Gupta                 | Managerial Remuneration (Short term Employee benefits) | 2,575.60     | 2,312.98      |
|                                     | Managerial Remuneration (Other long term benefits)     | 1,002.50     | –             |
|                                     | Managerial Remuneration (Post Employment benefits)     | 173.23       | 158.23        |
| (ii) Mr. Praveen Chopra             | Managerial Remuneration (Short term Employee benefits) | 1,576.92     | 1,484.12      |
|                                     | Managerial Remuneration (Other long term benefits)     | 141.48       | –             |
|                                     | Managerial Remuneration (Post Employment benefits)     | 101.87       | 93.95         |
| (iii) Mrs. Shikha Jain              | Sitting Fees   | 240.00       | 65.00         |
| (iv) Mr. Harnish Bindra             | Sitting Fees   | –            | 20.00         |
| (v) Mr. Vikram                      | Sitting Fees   | 75.00        | 55.00         |
| (vi) Mr. Ramesh Kumar Khanna        | Sitting Fees   | 90.00        | –             |
| (vii) Mr. Mohinder Pal Singh        | Sitting Fees   | 75.00        | –             |
| (viii) Mr. Pulkit Gupta             | Sitting Fees   | 30.00        | –             |
|                                     | <b>Balance outstanding at year end</b>                 |              |               |
| (i) Mr. B. N. Gupta                 | Managerial Remuneration payable                        | 123.89       | 176.80        |
| (ii) Mr. Praveen Chopra             | Salary and Other Benefits Payable                      | 71.81        | 51.11         |
| (iii) Mrs. Shikha Jain              | Sitting Fees Payable                                   | 54.00        | 58.50         |
| (iv) Mr. Harnish Bindra             | Sitting Fees Payable                                   | –            | 18.00         |
| (v) Mr. Vikram                      | Sitting Fees Payable                                   | –            | 49.50         |
| (vi) Mr. Ramesh Kumar Khanna        | Sitting Fees Payable                                   | 40.50        | –             |
| (vii) Mr. Mohinder Pal Singh        | Sitting Fees Payable                                   | 40.50        | –             |
| <b>(c) Other related parties</b>    |  |              |               |
| Aruna Abhey Oswal Trust             | <b>Transactions during the year</b>                    |              |               |
|                                     | Rental Income  | 1,800.00     | 1,800.00      |

**Note:** Post employment benefits and other long term employee benefits in relation to Key Managerial Personnels have not been shown separately as these are determined on actuarial basis for the group as a whole.

## NOTES (CONTD...)

(Amount in ₹ thousand unless otherwise stated)

### 38 SEGMENT INFORMATION

For management purposes, the group is organised into business units based on its products and services and has two reportable segments, as follows:

- The real estate segment which comprise of activities in the real estate sector including development of real estate, trading of real estate assets etc.
- The investment segment comprise of extending in form of intercorporate deposits of the surplus funds, investment in equity instruments and other securities.
- Unallocable segment comprise of activities which can not be allocated to any of the above two segments and none of the activities meet the quantitative thresholds to produce a reportable segment. The source of revenue comprise majorly of interest income on fixed deposits and miscellaneous income not allocable to reportable segments.

No operating segments have been aggregated to form the above reportable operating segments

| S No. | Particulars   | Current year        | Previous year       |
|-------|---|---------------------|---------------------|
| (a)   | <b>Segment Revenue (from external customers)</b>  |                     |                     |
|       | Investment  | 189,282.24          | 189,318.13          |
|       | Real Estate   | —                   | 223,680.86          |
|       | Unallocable   | 27,404.86           | 2,825.90            |
|       | <b>Total Segment Revenue</b>  | <b>216,687.10</b>   | <b>415,824.89</b>   |
| (b)   | <b>Segment Result</b>   |                     |                     |
|       | Profit/(Loss) before tax and interest from each segment   |                     |                     |
|       | Investment  | 173,380.30          | 151,815.37          |
|       | Real Estate   | (26,633.43)         | (24,819.98)         |
|       | Unallocable   | (29,438.59)         | (33,958.54)         |
|       | Less : Finance cost   | 510.66              | 472.34              |
|       | <b>Profit before Tax</b>  | <b>116,797.62</b>   | <b>92,564.51</b>    |
|       | Less: Current Tax   | 25,472.30           | 22,822.50           |
|       | Less: Deferred Tax  | (1,404.03)          | (52,770.35)         |
|       | <b>Profit for the year after tax but before share of net profits of investments accounted for using equity method</b> | <b>92,729.35</b>    | <b>122,512.36</b>   |
|       | Add: Share of net profit of associate accounted for using the equity method   | 171,083.34          | 149,658.53          |
|       | <b>Profit for the year after tax</b>  | <b>263,812.69</b>   | <b>272,170.89</b>   |
| (c)   | <b>Segment Assets</b>   |                     |                     |
|       | Investment  | 6,605,818.20        | 6,152,077.59        |
|       | Real Estate   | 659,173.21          | 878,101.01          |
|       | Unallocable   | 105,957.51          | 95,139.70           |
|       | <b>Total Assets</b>   | <b>7,370,948.92</b> | <b>7,125,318.30</b> |
| (d)   | <b>Segment Liabilities</b>  |                     |                     |
|       | Investment  | 4,644.63            | 4,558.23            |
|       | Real Estate   | 4,378.44            | 1,682.42            |
|       | Unallocable   | 20,565.88           | 32,715.38           |
|       | <b>Total Liabilities</b>  | <b>29,588.95</b>    | <b>38,956.03</b>    |
| (e)   | <b>Other Information</b>  |                     |                     |
|       | (i) <b>Capital expenditure</b>  |                     |                     |
|       | Investment  | —                   | —                   |
|       | Real Estate   | 6,979.38            | —                   |
|       | Unallocable   | 75.00               | 2,010.88            |
|       | (ii) <b>Interest revenue</b>  |                     |                     |
|       | Investment  | 118,913.98          | 102,426.71          |
|       | Real Estate   | —                   | 2.66                |
|       | Unallocable   | 15.09               | 2,106.62            |
|       | (iii) <b>Depreciation</b>   |                     |                     |
|       | Investment  | 368.14              | 368.14              |
|       | Real Estate   | 235.36              | 294.04              |
|       | Unallocable   | 1,505.66            | 1,218.23            |

**Note 1:** The group does not have any operations outside India and hence disclosure of geographic segments is not given.

**Note 2:** Revenue from two (two in previous year) customers exceeded 10% of the group's revenue viz. Nil (previous year ₹ 2,23,665.00 thousand) arising from sale of real estate under real estate segment and ₹ 97,463.84 thousand (previous year ₹ 45,191.17 thousand) arising from interest on inter-corporate deposits under investment segment.

**Note 3:** The interest expense and tax expense has not been disclosed by segment as the same is not allocable to any reportable segment.

**Note 4:** Investment in associate accounted using equity method amounts to ₹ 39,15,129.75 thousand (previous year ₹ 37,43,839.19 thousand) under investment segment

**NOTES (Contd...)**

(Amount in ₹ thousand unless otherwise stated)

**39 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013**
**I. Particulars of Loans given are as under:**

| <b>Borrower Company</b>                | <b>As at 31.03.2019</b> | <b>As at 31.03.2018</b> |
|--|-------------------------|-------------------------|
| Segue Enterprise Private Limited       | 20,000.00               | 27,500.01               |
| Jagran Developers Private Limited      | 467,500.00              | 467,500.00              |
| Opelina Finance and Investment Limited | 671,500.00              | 442,500.00              |
| Uppal Projects Private Limited         | 300,000.00              | –                       |
| Gagan Infraenergy Limited              | 166,000.00              | 5,000.00                |
| <b>Total</b>                           | <b>1,625,000.00</b>     | <b>942,500.01</b>       |

All the above loans have been given for business purposes of the borrower.

II. Particulars of investment made are given in Note no. 5, 6 and 12.

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

IV. Employee Loans given as per group's policy have not been considered for the above disclosure.

**40 FINANCIAL INSTRUMENTS**

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 are as follows:

| <b>Particulars</b>   | <b>As at 31.03.2019</b> |                     | <b>As at 31.03.2018</b> |                     |
|--|-------------------------|---------------------|-------------------------|---------------------|
|  | <b>Carrying value</b>   | <b>Fair value</b>   | <b>Carrying value</b>   | <b>Fair value</b>   |
| <b>FINANCIAL ASSETS</b>  |                         |                     |                         |                     |
| <b>At fair value through other comprehensive income (FVTOCI)</b> |                         |                     |                         |                     |
| <b>Non Current</b>   |                         |                     |                         |                     |
| Investments  | 131,972.00              | 131,972.00          | 141,271.51              | 141,271.51          |
| <b>At fair value through profit or loss (FVTPL)</b>              |                         |                     |                         |                     |
| <b>Current</b>   |                         |                     |                         |                     |
| Investments  | 815,243.31              | 815,243.31          | 1,260,181.19            | 1,260,181.19        |
| <b>At amortised cost</b>   |                         |                     |                         |                     |
| <b>Non Current</b>   |                         |                     |                         |                     |
| i) Loans   | 833,357.30              | 833,357.30          | 943,357.31              | 943,357.31          |
| <b>Current</b>   |                         |                     |                         |                     |
| i) Trade receivables   | –                       | –                   | 222,783.50              | 222,783.50          |
| ii) Cash and cash equivalents                                    | 6,127.63                | 6,127.63            | 19,498.28               | 19,498.28           |
| iii) Bank Balances other than cash and cash equivalents          | 194.09                  | 194.09              | 181.70                  | 181.70              |
| iv) Loans  | 792,630.29              | 792,630.29          | 550.11                  | 550.11              |
| v) Other financial assets  | 89,347.67               | 89,347.67           | 23,672.25               | 23,672.25           |
| <b>Total Financial Assets</b>                                    | <b>2,668,872.29</b>     | <b>2,668,872.29</b> | <b>2,611,495.85</b>     | <b>2,611,495.85</b> |
| <b>FINANCIAL LIABILITIES</b>                                     |                         |                     |                         |                     |
| <b>At amortised cost</b>   |                         |                     |                         |                     |
| <b>Current</b>   |                         |                     |                         |                     |
| (i) Other financial liabilities                                  | 8,861.92                | 8,861.92            | 8,963.70                | 8,963.70            |
| <b>Total Financial Liabilities</b>                               | <b>8,861.92</b>         | <b>8,861.92</b>     | <b>8,963.70</b>         | <b>8,963.70</b>     |

The fair value of the financial assets and liabilities is determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that fair value of trade receivables, cash and cash equivalents and other bank balances, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the transactions being entered into at arm's length. In respect of loans, the fair value equals the carrying value as the risk management mechanism established by the group indicates that no credit losses in the value of these loans.

**DETAILS OF ASSETS PLEDGED AS COLLATERAL/SECURITY**

 The carrying amount of assets as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 that the group has provided as collateral for obtaining borrowings and other facilities from the bankers as follows:

| <b>Particulars</b>                           | <b>As at 31.03.2019</b> | <b>As at 31.03.2018</b> |
|--|-------------------------|-------------------------|
| Gross carrying amount of Investment Property | 293.24                  | 293.24                  |
| Fixed deposits with banks- Non current       | 33,409.46               | 33,409.46               |

## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

### 41 FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2018:

| Particulars   | Financial assets measured at FVTPL | Financial assets measured at FVTOCI | Assets for which fair value is disclosed |
|---|------------------------------------|-------------------------------------|--|
|   | Investment in Mutual funds         | Investment in equity instruments    | Investment properties                    |
| Carrying Value as at 31 <sup>st</sup> March, 2019       | 815,243.31                         | 131,972.00                          | 24,361.63                                |
| <b>Fair valuation as at 31<sup>st</sup> March, 2019</b> |                                    |                                     |  |
| Level 3   | –                                  | 131,972.00                          | 241,166.52                               |
| Level 2   | –                                  | –                                   | –  |
| Level 1   | 815,243.31                         | –                                   | –  |
| Carrying Value as at 31 <sup>st</sup> March, 2018       | 1,260,181.19                       | 141,271.51                          | 24,729.77                                |
| <b>Fair valuation as at 31<sup>st</sup> March, 2018</b> |                                    |                                     |  |
| Level 3   | –                                  | 141,271.51                          | 231,816.49                               |
| Level 2   | –                                  | –                                   | –  |
| Level 1   | 1,260,181.19                       | –                                   | –  |

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended on 31<sup>st</sup> March, 2019 or on 31<sup>st</sup> March 2018.

A one percent change in the unobservable inputs used in fair valuations of level 3 assets does not have a significant impact in its value.

The fair value of investments in mutual fund is determined on the basis of NAV of mutual fund declared on the last day of the financial year. The fair value of investment property disclosed in financial statements is determined based on the valuation report from an independent valuer. The determination of the valuation by the valuer is based on level 3 inputs like present market circle rates, location of the property, local enquiries, information from the local property brokers, latest market transactions etc. The fair value of the equity instruments measured at FVTOCI is determined on the basis of the valuation report of an independent valuer who determines the value as per the financials of the investee, use of available fair values of the investee's assets, assumptions suitable to the method of valuation adopted and key data from the management of the investor for valuation purposes as obtained from the investee.

#### Impact in statement of profit and loss:

| Particulars  | As at 31.03.2019  | As at 31.03.2018  |
|--|-------------------|-------------------|
| Opening Balance of investment valued using level 3 inputs                            | 141,271.51        | 143,069.85        |
| Add/(Less): Fair value changes for the year recognised in other comprehensive income | (9,299.51)        | (1,798.34)        |
| <b>Closing balances</b>  | <b>131,972.00</b> | <b>141,271.51</b> |

### 42 FINANCIAL RISK MANAGEMENT

The Group's principal financial assets include investment in equity instruments and mutual funds, Inter-corporate deposits, trade receivables, other receivables and cash & bank balances.

The Group's principal financial liabilities comprise creditor for expenses and other financial liabilities. These other financial liabilities mainly comprise of creditors for expenses and employee benefits payable.

The Group's activities expose it to credit risk and liquidity risk. The group is not exposed to any market risk, neither in form of interest rate risk as the debt instruments issued by the group (i.e. intercorporate deposits) bear a fixed rate of interest as per the inter-corporate deposit agreements nor any foreign exchange risk. The different types of risk the group is exposed to are as follows:

#### (i) Credit risk

Credit risk is the risk that customer or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's significant credit risk concentration is in its trade receivables and loans given [i.e. intercorporate deposits (ICD)] and interest receivable thereon aggregating to ₹ 16,55,469.69 thousand as at March 31, 2019 i.e., 62.03% (₹ 11,86,904.47 thousand as at March 31, 2018 i.e., 45.45%). The objective of managing counter party credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the ICD parties on regular basis by analysing their default pattern, reviewing annual financial performance and creditworthiness as evident from their financial statements. The group regularly assesses the increase in risk of default since initial recognition. The group considers a default of more than 6

**NOTES (Contd...)**

**(Amount in ₹ thousand unless otherwise stated)**

months as an indicator for increased risk of default requiring the assessment of expected credit losses and resulting impairment, if any. The group uses a provision matrix to compute the expected credit losses (ECL) for trade receivables. The provision matrix takes into account internal and external credit risk factors and the group's historical experience for customers.

However, as at the date of balance sheet all parties were regular in meeting their contractual obligations and none of the financial assets are credit impaired. Credit risk on cash & cash equivalents and other bank balances is limited as the group holds these deposits with scheduled banks with high credit ratings.

Investments are primarily in equity instruments of companies. The management regularly values the investments from independent professional valuers to determine any impairment in the value of investments. Further, the group invests on short term basis in mutual funds having high credit rating from domestic credit rating agencies.

**Exposure to credit risk**

The gross carrying amount of financial assets, net of any impairment recognised represents the maximum credit exposure. The maximum credit exposure as at 31.03.2019 and as at 31.03.2018 is as follows:

| Particulars  | As at 31.03.2019    | As at 31.03.2018    |
|--|---------------------|---------------------|
| Investments (Non current and current)              | 947,215.31          | 1,401,452.70        |
| Loans (Non current and current)                    | 1,625,987.59        | 943,907.42          |
| Trade receivables                                  | –                   | 222,783.50          |
| Cash and cash equivalents                          | 6,127.63            | 19,498.28           |
| Bank Balances other than cash and cash equivalents | 194.09              | 181.70              |
| Others financial assets                            | 89,347.67           | 23,672.25           |
| <b>Total</b>                                       | <b>2,668,872.29</b> | <b>2,611,495.85</b> |

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The group does not have any significant financial liability as at March 31, 2019 or March 31, 2018 and Group has enough liquid funds in the form of cash and cash equivalents to meet its financial obligations as and when they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at March 31 2019, the group had a working capital of ₹ 23,24,699.40 thousand (Previous year ₹ 21,38,630.41 thousand). Further, the group has substantial pool of highly liquid financial assets like cash & cash equivalents, trade receivables and short term investments in mutual funds aggregating to ₹ 8,21,370.94 thousand (Previous year ₹ 15,02,462.97 thousand) as against the total current liabilities of ₹ 27,912.23 thousand (Previous year ₹ 37,472.65 thousand) which clearly establishes the strong liquidity position of the group.

**The maturity analysis of the financial liabilities of the group as at 31.03.2019 is given as below:**

| Particulars                 | As at 31.03.2019 |           |                   |
|-----------------------------|------------------|-----------|-------------------|
|                             | Less than 1 Year | 1-2 Years | 2 Years and above |
| Other financial liabilities | 8,861.92         | –         | –                 |
| <b>Total</b>                | <b>8,861.92</b>  | <b>–</b>  | <b>–</b>          |

**The maturity analysis of the financial liabilities of the group as at 31.03.2018 is given as below:**

| Particulars                 | As at 31.03.2018 |           |                   |
|-----------------------------|------------------|-----------|-------------------|
|                             | Less than 1 Year | 1-2 Years | 2 Years and above |
| Other financial liabilities | 8,963.70         | –         | –                 |
| <b>Total</b>                | <b>8,963.70</b>  | <b>–</b>  | <b>–</b>          |

**43 INFORMATION (PURSUANT TO IND AS-37) - BRIEF PARTICULARS OF PROVISION ON DISPUTED LIABILITIES:**

| Nature of Liability                        | Provident Fund                            | Civil Case                | Total            |
|--|---|---------------------------|------------------|
|  | Demand for contribution to provident fund | Share Certificate Dispute |                  |
| Opening Provision                          | 11,715.21                                 | –                         | 11,715.21        |
| Provision made during the year             | –   | 285.00                    | 285.00           |
| Provision reduced/utilised during the year | –   | –                         | –                |
| <b>Closing Provision</b>                   | <b>11,715.21</b>                          | <b>285.00</b>             | <b>12,000.21</b> |

- Notes:**
- The case for contribution to provident fund is pending before the apex court and will be paid on the basis of the final judgement.
  - Provisions are made herein for medium risk oriented issues as a measure of abundant precaution
  - Remote risk possibility of cash outflows is presumed pertaining to contingent liabilities as listed in note no. 36.



## NOTES (Contd...)

(Amount in ₹ thousand unless otherwise stated)

44 Additional Information pursuant to Para 2 of general instructions for the preparation of consolidated financial statements as on 31.03.2019

| Name of the entity in the Group                        | Net Assets i.e. total assets minus total liabilities |                     | Share in profit or loss             |                   | Share in other comprehensive income                  |                   | Share in total comprehensive income             |                   |
|--|--|---------------------|-------------------------------------|-------------------|--|-------------------|---|-------------------|
|  | As % of consolidated net assets                      | Amount              | As % of consolidated profit or loss | Amount            | As % of consolidated other comprehensive income/loss | Amount            | As % of consolidated total comprehensive income | Amount            |
| <b>Parent Company</b><br>Oswal Agro Mills Limited      | 46.67%   | 3,426,230.23        | 35.15%                              | 92,729.35         | 102.35%  | (9,022.20)        | 32.83%  | 83,707.15         |
| <b>Associate</b><br>Indian:<br>Oswal Greentech Limited | 53.33%   | 3,915,129.74        | 64.85%                              | 171,083.34        | -2.35%   | 207.21            | 67.17%  | 171,290.55        |
|  | <b>100.00%</b>                                       | <b>7,341,359.97</b> | <b>100.00%</b>                      | <b>263,812.69</b> | <b>100.00%</b>                                       | <b>(8,814.99)</b> | <b>100.00%</b>                                  | <b>254,997.70</b> |

## 45 OTHER NOTES

- (i) **Capital management:** The holding company has only equity capital as the only source of capital and has no funds raised in form of borrowings. The group aims at utilising the capital in the most optimum manner. Hence the comprehensive disclosures required by Ind AS 1, in respect of capital management are not required by the group.
- (ii) Average Net profit for the three immediately preceding financial years, as per Section 198 of the Companies Act, 2013("Act") is nil. Accordingly, holding company was not required to spend any amount on CSR activities as per Section 135 of the Act in the current and previous year.
- (iii) As per the internal assessment of the group, there is no non financial asset and investment in associate accounted for in accordance with IND AS 28 requiring allowance for impairment in compliance of IND AS 36 on "Impairment of Assets" other than already provided for, if any.
- (iv) Based on the information available with the group, there are no dues as at March 31, 2019 and March 31, 2018 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid/payable by the group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.
- (v) One of the shareholder of the holding company has filed a petition under section 241, 242 read with Sections 244 of the Companies Act, 2013 against the holding company seeking relief against various acts of oppression and mismanagement before the NCLT, Chandigarh. However, the holding company had challenged this petition on the grounds of its maintainability before NCLAT, New Delhi, hearing for which had been concluded and the judgement is reserved.

As per our report of even date attached

For Agarwal & Dhandhania  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner  
Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

**Information Pursuant to First Proviso to Sub Section (3) of Section 129 of Companies Act, 2013  
Form AOC-I**

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

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

Part A : Subsidiaries- Not Applicable

Part B: Associates and Joint Ventures

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

(Amount in ₹ thousand )

| S. No. | PARTICULARS  | 1  |
|--------|--|--|
| 1      | Name of Associate  | Oswal Greentech Limited                  |
| 2      | Latest audited Balance Sheet Date  | 31/03/2019                               |
| 3      | Shares of Associate held by the company on the year end                    |  |
|        | a. No.   | 91,384,203                               |
|        | b. Amount of Investment in Associates/Joint Venture                        | 2,375,808.28                             |
|        | c. Extend of Holding %   | 35.58%                                   |
| 4      | Description of how there is significant influence                          | More than 20% of the total share capital |
| 5      | Reason why the associate is not consolidated                               | Consolidated                             |
| 6      | Net worth attributable to Shareholding as per latest audited Balance Sheet | 8,240,683.08                             |
| 7      | Profit / (Loss) for the year   | 481,362.48                               |
|        | a. Considered in Consolidation   | 171,290.55                               |
|        | b. Not Considered in Consolidation   | 310,071.93                               |

1. Names of Associates which are yet to commence operations NA
2. Names of Associates which have been liquidated or sold during the year. NA

As per our report of even date attached

For Agarwal & Dhandhanian  
Chartered Accountants  
(Firm Registration No. 125756W)

Sanjay Agarwal  
Partner

Membership No. 078579

Place : New Delhi  
Date : 24<sup>th</sup> May, 2019

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

B N Gupta  
CEO and Wholetime Director  
DIN : 00562338

Anil Bhalla  
Director  
DIN : 00587533

Parveen Chopra  
Chief Financial Officer

Gopal  
Company Secretary

## IMPORTANT COMMUNICATION TO SHAREHOLDERS

Dear Shareholders,

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

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

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

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

**FOR THE SHARES** held in physical mode: Please fill the enclosed form and send it to us at the registered office/registrars office address of the Company.

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

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

Further, your Company wishes to inform you that SEBI vide its notification no. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 has made amendments in regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the requests for transfer of shares/securities shall not be processed unless such shares/securities are held in the dematerialized form with a depository. In view of the above, to avoid any kind of inconvenience to you, we request you to dematerialize your physical shares in electronic form immediately.

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

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

----- ✂ ----- ✂ ----- ✂ -----

Dear Sir,

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

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

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

.....

.....

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

No. of Shares held : .....

E-mail ID : .....

Place :

Date :

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



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

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

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

I/we hereby record my/our presence at the 39<sup>th</sup> Annual General Meeting of the Company, being held on Wednesday, 25<sup>th</sup> September, 2019 at 12:00 Noon at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (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.

.....✂.....✂.....✂.....

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

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

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

Registered Address: .....

Email: .....

|                           |  |
|---------------------------|--|
| DP ID/CLIENT ID/FOLIO NO. |  |
| NO. OF SHARES HELD        |  |

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

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> ANNUAL GENERAL MEETING of the Company, being held on Wednesday, 25<sup>th</sup> September, 2019 and at any adjournment thereof in respect of such resolutions as are indicated hereunder below:

1. Adoption of Audited Financial Statements (Including Consolidated Financial Statements) as at 31<sup>st</sup> March 2019 together with Report of the Board of Directors and Auditors thereon.
2. Re-appointment of Shri Bhola Nath Gupta (DIN 00562338), who retires by rotation.
3. Appointment of Smt. Shikha Jain (DIN 02615074) as a Non-Executive Independent Director of the Company for 2<sup>nd</sup> consecutive term of 5 years.
4. Appointment of Shri Bhola Nath Gupta (DIN 00562338) as Chief Executive Officer and Whole Time Director.
5. Maintenance of Register of Members, Annual Returns and related books at a place other than registered office of the company.

Signed this ..... day of ..... 2019



(Signature of Proxy) .....

(Signature of member)

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

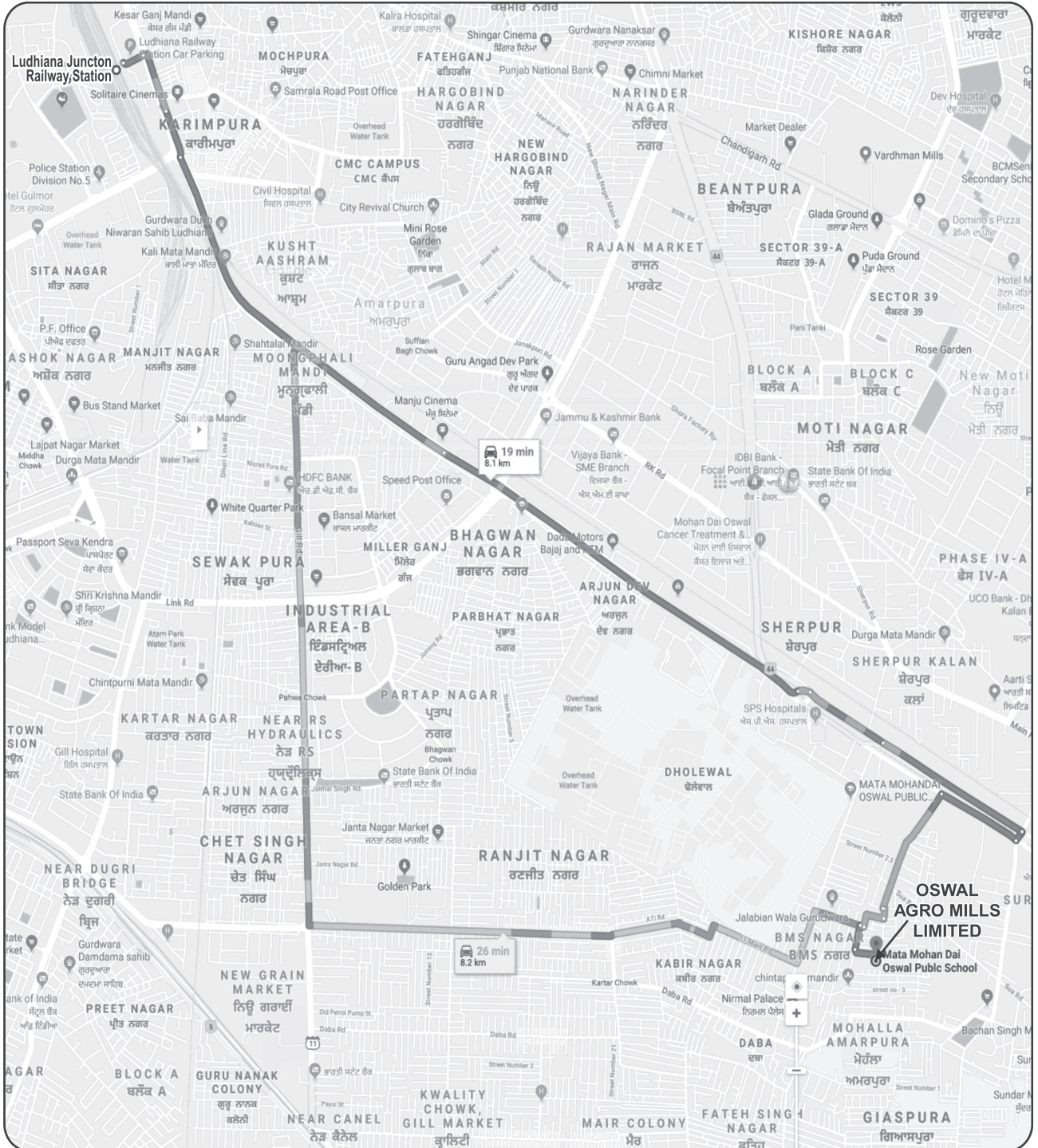


**OSWAL AGRO MILLS LIMITED**

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**Route Map for Venue of 39<sup>th</sup> Annual General Meeting of the Company to be held on  
Wednesday, 25<sup>th</sup> September, 2019 at 12:00 Noon**

**From Ludhiana Junction Railway Station to the Regd. Office of the Company**













If undelivered please return to:

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

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