

ANNUAL REPORT 2008-2009



OSWAL
AGRO MILLS LTD.

BOARD OF DIRECTORS

Shri Abhey Oswal - Chairman
Shri Anil Bhalla - Director
Shri B.N. Gupta - Director
Shri Sunil Kumar Kulshrestha - Director

COMPANY SECRETARY

Shri R.P. Jolly

AUDITORS

T.R. Chadha & Company
Chartered Accountants
New Delhi

BANKERS

ABN AMRO Bank N.V.
HDFC Bank
State Bank of India

REGISTERED OFFICE

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

WORKS

Mandideep (Bhopal)

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.

246, 1st Floor, Sant Nagar,
East of Kailash, New Delhi-110065
Ph: +91 11 26292682/ 83
Fax: +91 11 26292681

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NOTICE OF THE MEETING

Notice is hereby given that the 29th Annual General Meeting of the Company will be held on 30th September, 2009 at 12.30 P.M. at the Registered Office of the Company at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana -141003 (Punjab), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account of the Company for the year ended on 31st March, 2009 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Bhalla who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s T.R. Chadha & Company, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"Resolved that Shri Sunil Kumar Kulshrestha, be and is hereby appointed as a director of the company whose office is liable to retire by rotation."

By Order of the Board
For OSWAL AGRO MILLS LIMITED

R.P. Jolly
Company Secretary

Place : New Delhi
Date : 31.07.2009

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item no 4 is enclosed herewith and forms part of this notice.
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 Book of the Company will remain closed from 25th September, 2009 to 30th September, 2009 (both days inclusive).
6. The Members are requested to:
 - (a) Take the advantage of dematerialization of shares as Company's scrip has been put under 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.
7. 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.
8. 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.
9. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their client ID Number and their DP ID Number.

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

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

1. Shri Anil Bhalla was appointed on the board of the Company as an Additional Director w.e.f 19.05.2007. He has vast experience in commercial and administrative field and has made valuable contribution in the growth of the Company's business. He is also a Whole Time Director on the board of Oswal Chemicals & Fertilizers Limited. He is a member of Share Transfer Committee and Investor Grievance Committee in your Company. Neither he nor any of his family members hold any shares of this Company.
2. Shri Sunil Kumar Kulshrestha is a postgraduate in economics with a rich exposure to banking and finance. He is a Six Sigma professional. He has worked for 22 years as a banker in various capacities. Shri Sunil Kumar Kulshrestha has more than 30 years of experience in terms of organization functions and maximum utilization of manpower. Neither he nor any of his family members hold any share of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO 4 OF THE ACCOMPANYING NOTICE IS AS UNDER:

ITEM NO 4

Shri Sunil Kumar Kulshrestha was appointed as an additional director w.e.f 1st July, 2009 by the Board of Directors pursuant to section 260 of the Companies Act, 1956. He is holding office up to the date of ensuing Annual General Meeting. Company received a notice from a member of the Company signifying his intention to propose the candidature of Shri Sunil Kumar Kulshrestha as a director of the Company, pursuant to section 257 of the Companies Act, 1956 along with a sum of Rs. 500/- as deposit.

The Board recommends the resolution for approval of shareholders.

None of directors is interested or concerned in this resolution except Shri Sunil Kumar Kulshrestha.

By Order of the Board
For OSWAL AGRO MILLS LIMITED

R.P. Jolly
Company Secretary

Place : New Delhi
Date : 31.07.2009

DIRECTORS' REPORT

To,
The Members,
Oswal Agro Mills Limited

Your Directors have pleasure in presenting the 29th Annual Report along with the Audited Statement of Accounts of the Company for the Financial Year Ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
	Current Year 31.03.2009	Previous Year 31.03.2008
Operating & other Income	277	1057
Profit/(Loss) before Depreciation & Provision for taxation	(1388)	574
Less : Depreciation	11	12
: Provision for Tax	-	70
: Deferred Tax	(71)	71
Profit/ (Loss) after Depreciation & Tax	(1328)	421
Add : Balance brought forward from previous year	(1230)	(1651)
Balance carried to Balance Sheet	(2558)	(1230)

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year under review, the gross income of the company was Rs.277 lacs and Loss before Tax of Rs.1377 lacs as compared to gross income of Rs. 1057 lacs and Net Profit before tax of Rs.574 lacs for the previous year. The Company has suffered loss due to sudden slow down in the overall economic activities world wide which has effected the Indian real estate, investment and other business segments. The future outlook looks bright but will depend mainly on the general economic conditions and the performance of real estate and investment sectors. The Net Loss after Tax during the year was Rs.1328 lacs as compared to Net Profits of Rs.421 lacs in previous year. During the year the company was engaged in real estate, investments and trading activities.

DIVIDEND

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

PUBLIC DEPOSITS

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

MATERIAL CHANGES

There are no material changes affecting the affairs of the Company since the date of Balance Sheet and up to the date of this Report.

AUDITORS' REPORT

The Auditors' report on audited accounts for the year 2008-09 contains qualifications regarding non-accounting for the fluctuation in the exchange rate on interest free export advance received, non accounting of interest income on loans given to certain enterprises under an arbitration award and non confirmation/ reconciliation of certain balances.

The Management is of the view that necessary adjustment for exchange rate fluctuations will be made as and when litigation is finalized. Interest on loans given to certain enterprises has not been accounted for, as the recovery thereof is uncertain due to losses incurred by the borrowers. The reconciliation with certain parties and their confirmation is in process.

AUDITORS

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

DIRECTORS

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

Shri Sunil Kumar Kulshrestha was appointed as additional director of the board of the company with effect from 1st July 2009.

Shri R K Srivastava has resigned from the Board of the Company with effect from 01.07.2009. The Board of Directors expresses their appreciation for the valuable contribution made by Shri. R K Srivastava during his tenure.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company.
- ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended 31st March, 2009.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the annual accounts have been prepared on going concern basis.

AUDIT COMMITTEE

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2009 and has not given any adverse observations. It has also recommended the re-appointment of M/s T.R. Chadha & Company, Chartered Accountants as statutory auditors of the Company.

CORPORATE GOVERNANCE

As per clause 49 of the listing agreement with Stock Exchange(s) , Corporate Governance Report and Management Discussion & Analysis. Reports are annexed as Annexure-I and Annexure-II.

PARTICULARS OF EMPLOYEES

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

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

The particulars of conservation of Energy and Technology absorption as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as the Company's plants were not in operation during the year. During the year under review, the foreign exchange earnings of the Company was NIL (Previous years -NIL) and foreign outgo of the Company was nil (Previous year nil)

SUBSIDIARY COMPANY

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

EMPLOYEE RELATIONS

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

LISTING

Your Company's equity shares are listed on following Stock Exchanges- Calcutta Stock Exchange Association Ltd., Ahmedabad Stock Exchange Ltd., Delhi Stock Exchange Ltd., The Ludhiana Stock Exchange Ltd., The U.P. Stock Exchange Association Ltd., Madras Stock Exchange Ltd., Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). As on date the shares of the Company are not traded in any of the Stock Exchanges. The National Stock Exchange & Bombay Stock Exchange have suspended the trading of the shares of the company. The Company's request for allowing the trading of the shares is pending with both of these exchanges.

ACKNOWLEDGEMENT

Your directors take this opportunity to thank and deeply acknowledge the co-operation, assistance and support extended by the State Governments, Central Government & Banks and the continued support of the Shareholders.

For and on behalf of the Board

Place : New Delhi

Date : 31.07.2009

ABHEY OSWAL

CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company strongly believes in Corporate Governance and endeavors to continuously take initiatives to strengthen areas of Corporate Governance. The Company's philosophy on Corporate Governance is to practice transparency in operations and maintain a professional approach in dealing with its stakeholders. The Company strongly believes that Corporate Governance is an important tool to achieve all round excellence with ultimate objective of enhancing the shareholders' value. The Company took initiatives in practicing good Corporate Governance procedures even before they were mandated.

2. BOARD OF DIRECTORS

a) Composition

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

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

The Composition of the Board, attendance of each of the Directors at the Board Meetings held during the financial year ended 31st March, 2009 and at the last Annual General Meeting is as under: -

Name of Director and their DIN No.	Designation	Category	No. of Meetings held	No. of Board Meetings Attended	No. of Directorships of other Companies	No. of Memberships of other Companies		Attendance at the Last AGM
						As Chairman	As Member	
Sh. Abhey Oswal 00589130	Chairman	Non-Executive Non Independent	7	3	2	Nil	4	No
Sh. Anil Bhalla 00587533	Director	Non-Executive Non Independent	7	7	3	Nil	4	No
Sh. B. N. Gupta 00562338	Director	Non-Executive Independent	7	7	Nil	Nil	3	Yes
Sh. R. K. Srivastava* 01835041	Director	Non-Executive Independent	7	6	Nil	Nil	1	No

* Resigned w.e.f. 1st July 2009

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

During the year under review seven Board meetings were held on 1/04/2008, 30/06/2008, 31/07/2008, 03/10/2008, 31/10/2008, 31/01/2009 and 13/02/2009. The maximum time gap between two consecutive Board meetings was not more than four calendar months.

d) Board's Procedures

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

COMMITTEES OF THE BOARD

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

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

3. AUDIT COMMITTEE

(a) Terms of Reference

The term of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

(b) Composition, Name of Members and Chairman

During the year Audit Committee consisted of 3 Non-Executive Directors viz. Shri Abhey Oswal, Shri B.N. Gupta and Shri R K Srivastava and majority of the members of Audit Committee are independent directors.

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

(c) Meetings and attendance during the year

The Audit Committee met five times during the year on 15/04/2008, 30/06/2008, 31/07/2008, 31/10/2008 and 31/01/2009. The name of Members and their attendance at the Audit Committee Meeting is as under:

Members	Category	Meetings Held	Meetings Attended
Sh. Abhey Oswal	Non-Executive Non Independent	5	3
Sh. B. N. Gupta	Non-Executive Independent	5	5
Sh. R. K. Srivastava*	Non-Executive Independent	5	5

*Resigned w.e.f 1st July, 2009.

4. REMUNERATION COMMITTEE

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

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

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

(b) Composition and name of members

As on 31st March, 2009, the Shareholders/Investors' Grievance Committee consisted of 3 Non-Executive directors viz. Shri. Abhey Oswal, Shri Anil Bhalla and Shri B.N. Gupta.

(c) Attendance during the year

The Shareholders/Investors Grievance Committee met twice during the year on 31/07/2008 and 13/02/2009. The name of Members and their attendance at the Committee meeting is as under:

Members	Category	Meetings Held	Meetings Attended
Sh. Abhey Oswal	Non-Executive Non Independent	2	1
Sh. Anil Bhalla	Non-Executive Non independent	2	2
Sh. B. N. Gupta	Non-Executive Independent	2	2

(d) Details of Complaints

The Company has received 54 complaints during the year ended 31.03.09, out of which 53 complaints have been resolved till 31.03.2009 and 1 complaint was resolved in the month of April, 2009.

6. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

S.No.	Financial Year	Location	Date	Time	Special Resolutions Passed
1.	2007-08	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	29.09.2008	11.30 A.M.	Nil
2.	2006-07	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	29.09.2007	12.30 P.M.	Nil
3.	2005-06	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)	30.09.2006	2.00 P.M.	Nil

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

8. DISCLOSURES

- a) None of the transaction with any of related parties was in conflict with the interest of the Company. Attention of Members is drawn to the disclosure of transactions with the related parties set out in the Notes on Account-Schedule, forming part of Annual Report.
- b) During the last three years the company has not made any non compliance, no penalties were levied, no structure imposed on the company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. However, the trading in shares of the Company was suspended by NSE and BSE.

- c) The Company has not adopted a Whistle Blower Policy. However, no person of the Company has been denied access to the Audit Committee.
- d) The Company has complied with all the Mandatory requirements of Clause 49 of the Listing Agreement with Stock Exchanges on Corporate Governance. As regards the Non-mandatory requirements, the Company will endeavour to implement them to the extent possible.
- e) The Company has complied with all applicable accounting standards except certain departure, which are explained in note 4 to notes to the Accounts -Schedule XV forming part of Balance Sheet.
- f) The Company has a Wholly Owned Subsidiary company named 'Oswal Overseas Ltd.' in UAE for pursuing various international projects.

9. CHAIRMAN'S CERTIFICATE

Since the company does not have a Whole time Director and CFO, the Chairman of the Company has furnished the requisite certificate to the Board of Directors under revised clause 49 of the Listing Agreement.

10. 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.

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

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

12. MEANS OF COMMUNICATION

The Quarterly Financial Results of the Company are published in newspapers in terms of Clause 41 of the Listing Agreement. The quarterly financial results are generally published in Ajit (Punjabi Edition) and The Pioneer (English Edition).

13. General Shareholders Information

Annual General Meeting is propose to be held

- Date : 30th September, 2009
- Day : Wednesday
- Venue : Near Jain Colony, Vijay Inder Nagar,
Daba Road, Ludhiana -141003 (Punjab)
- Book Closure Date : 25th September, 2009 to 30th September, 2009
(both days Inclusive)
- Dividend Payment : The directors have not proposed any dividend for the financial year ended 31st March, 2009.

14. a) FINANCIAL CALENDAR

Unaudited Financial Results

For the quarter ended	Tentative Dates
30.06.2009	4th Week of July, 2009
30.09.2009	4th Week of Oct., 2009
31.12.2009	4th Week of Jan., 2010
31.03.2010	4th Week of April, 2010/ 4th Week of June 2010
Next Annual General Meeting	Last week of September 2010

b) Listing at Stock Exchanges

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

Stock Exchange	Scrip Code
The National Stock Exchange of India Ltd.	Oswal Agro
Bombay Stock Exchange Ltd.	500317
The Delhi Stock Exchange Ltd.	00037
The U.P Stock Exchange Association Ltd.	Not Available
The Calcutta Stock Exchange Association Ltd.	Not Available
Madras Stock Exchange Ltd.	Oswal Agro
The Ludhiana Stock Exchange Ltd.	Not Available
The Ahmedabad Stock Exchange Ltd.	Not Available

The Annual Listing Fee for the year 2009-10 has been paid to The National Stock Exchange of India Limited and Bombay Stock Exchange Limited only, whereas the Listing Fees has not been paid of other Exchanges. In spite of our best efforts the Company's request for allowing the trading is pending with the National Stock Exchange of India Ltd. as well as Bombay Stock Exchange Ltd.

c) Stock Market Price

Shares of the Company are not trading in any of the Stock Exchanges wherever they are listed, whereas the shares of Company have been suspended for trading by NSE and BSE, therefore, market price data is not available for the financial year 2008-09.

d) Distribution of Shareholding as on 31.03.2009

No. of Shares	No. of Shares held	%	No. of Shareholders	%
1 - 500	28040330	20.89	232276	93.39
501 - 1000	7710748	5.75	10555	4.24
1001 - 2000	5209320	3.88	3694	1.49
2001 - 3000	2269589	1.69	918	0.37
3001 - 4000	1322041	0.99	382	0.15
4001 - 5000	1092716	0.81	238	0.10
5001 - 10000	2462762	1.83	353	0.14
10001 and above	86127270	64.16	289	0.12
TOTAL	134234776	100.00	248705	100.00

e) Shareholding Pattern as on 31.03.2009

Category	No. of Shares Held	% of Shareholding
A Promoters and Associates	56033182	41.74
B Banks, Financial Institutions and Mutual Funds	3895229	2.90
C Indian Public	73692683	54.90
D NRI/OCB/FII's	613682	0.46
TOTAL	134234776	100.00

f) Registrar & Transfer Agent/Investor Correspondence

The Company has appointed M/s Skyline Financial Services Private Limited as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

M/s Skyline Financial Services Private Limited
 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi-110065
 Ph: 26292682, 26292683, Fax: 26292681
 E-mail: agarwalp7@hotmail.com, admin@skylinerta.com

g) Compliance Officer

Shri R P Jolly
 C/o M/s Oswal Agro Mills Limited, 7th Floor, Antriksh Bhawan,
 22, Kasturba Gandhi Marg, New Delhi-110001

h) Share Transfer System

The Shares of the Company fall under the category of compulsory demat form for all the investors. The Share Transfer requests received in physical form are registered within 30 days from the date of lodgment of shares and demat requests received from the Depository Participants are processed within 21 days from the date of receipt.

i) Dematerialisation of Shares

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has listed its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). Company has been allotted ISIN No. INE 142A01012. As on 31.03.2009 total 97220989 numbers of Equity Shares (72.43 % of capital) have been dematerialized.

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

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

k) Details of Public funding obtained in last three years

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

l) Plant Location

Mandideep, Madhya Pradesh

m) ADDRESS FOR CORRESPONDENCE

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

For and on behalf of Board
For OSWAL AGRO MILLS LIMITED

Place : New Delhi
Date : 31.07.2009

ABHEY OSWAL
Chairman

DECLARATION UNDER CLAUSE 49-1 (D) OF THE LISTING AGREEMENT OF CHAIRMAN

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I Abhey Oswal, Chairman of Oswal Agro Mills Ltd, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the Financial Year ended on 31st March, 2009.

Place: New Delhi
Date: 31.07.2009

ABHEY OSWAL
CHAIRMAN

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

To
The Members
Oswal Agro Mills Limited

I have reviewed the compliance of conditions of Corporate Governance by Oswal Agro Mills Limited for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchanges in India. I have conducted my review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2009 and furnished to me for the purpose of the review and the information and explanations given to me by the Company during the course of such review.

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

On the basis of my review and according to the information and explanations given to me, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges have been complied with in all respect by the Company except that the management has not given month wise stock market data as it was explained that Company's equity shares were not traded on any Stock Exchange during the period.

Place: New Delhi
Date: 31.07.2009

Sanjay Kumar
Company Secretary in Practice
C.P.No.5569

MANAGEMENT DISCUSSIONS AND ANALYSIS

OVERVIEW:

The Company is engaged in trading, real estate and investment activities where the outlook of business seems to be encouraging in the near future. The outlook for these businesses seems to be encouraging but will mainly depend on the general economic conditions in the Country.

SEGMENTWISE PERFORMANCE:

During the year ended 31.03.2009 the company was operating under the three business segments- Real Estate, Investments and Other Activities. Details of segment wise revenue, results and capital employed are given in Schedule XIX - Notes on Accounts forming part of the Annual Report.

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

INDUSTRIAL RELATIONS:

The relations with employees remained cordial throughout the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

RISKS & CONCERNS:

The company is exploring new business segments and is in the process of identifying projects.

The real estate development projects have also risks associated with it such as obtaining regulatory approvals for operating the business, fluctuation in the value of real estate etc.

OPPORTUNITIES AND OUTLOOK:

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

RISK MANAGEMENT:

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

CAUTIONARY STATEMENT:

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

AUDITORS' REPORT

To the Shareholders of Oswal Agro Mills Limited

1. We have audited the attached Balance Sheet of M/s Oswal Agro Mills Ltd. as at 31st March 2009, the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with in this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the 'Act';
 - (e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit & Loss and Cash Flow Statement, together with the notes thereon and attached thereto, given in the prescribed manner, the information required by the 'Act' and subject to our comments in paragraphs 5.1 to 5.3 below, give respectively, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009
 - (b) in the case of the Profit & Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
- 5.1 *Non- translation of interest free export advance received (net) of USD 52,37,796.80 at the year end exchange rate and which is contrary to Accounting Standard 11 and further non- provision of interest accrued on the amount receivable Rs. 38,386.29 thousand due to the pending execution of Decree orders passed by the High Court on 09.05.1989, as stated in note no. 4 in schedule XIX.*
- 5.2 *Non-confirmation/non-reconciliation of certain debit/credit balances as stated in Note No. 5 in Schedule XIX, the overall impact of these could not determined.*
- 5.3 *Non-accounting of interest income on loans given to various enterprises as stated in Note No.10 in Schedule XIX.*

For **T.R. Chadha & Co.**
Chartered Accountants

(Surender Kumar)
Partner
M. No. 82982

Place: New Delhi

Date: 29th June, 2009

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date]

- i)
 - a) The Company has maintained proper records other than for closed divisions, and furniture & fixtures to show full particulars including quantitative details and situation of its fixed assets.
 - b) According to explanations given to us all the fixed assets other than for closed divisions, and furniture & fixtures have been physically verified by the management at the year end, which in our opinion is considered reasonable having regard to the size of the company and nature of its business. No material discrepancy noticed on such verification as compared to book records.
 - c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the Company during the year.
- ii)
 - a) The company is not carrying any inventory as on 31st March 2009 except shares held for trading amounting to Rs. 458,850.00 thousand and plant & machinery held for disposal valuing Rs. 11,691.90 thousand. The shares held in physical form and plant & machinery held for disposal have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii)
 - a) The Company has granted unsecured loan amounting to Rs. 908,505.67 thousand (Maximum Balance Outstanding Rs. 523,141.23 thousand) during the year to one company covered in the register maintained under Section 301 of the Act.

- b) The rate of interest and other terms and conditions of loan given is not prime facie prejudicial to the interest of the company.
- c) In respect of aforesaid loan, the party is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.
- d) In respect of aforesaid loan, there is no overdue amount more than Rs. one lac.
- e) The Company has taken unsecured loan amounting to Rs 708,691.83 thousand (Maximum Balance Outstanding Rs. 471,319.28 thousand) during the year from one company covered in the register maintained under Section 301 of the Act.
- f) The rate of interest and other terms and conditions of loan taken is not prime facie prejudicial to the interest of the company.
- g) In respect of aforesaid loan, the company is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.
- iv) In our opinion and according to the information and explanations given to us, in general, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of Act, have been so entered and there are no transactions made in pursuance of contracts or arrangement entered into the register in pursuance of Section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Rules framed there under.
- vii) In our opinion, the Company's present internal audit system is generally commensurate with its size and nature of its business.
- viii) The Company is not engaged in any manufacturing or other activity requiring maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, customs duty, service tax, excise duty and other material statutory dues as applicable, with the appropriate authorities. Outstanding dues for more than six months as on 31st March, 2009 are given below:

Name of the Statute	Nature of the Dues	Amount (Rs in thousand)
The Income Tax Act, 1961	Income tax	863.61

- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax, income-tax, customs duty, service tax, wealth tax, excise duty and cess as at March 31, 2009 which have not been deposited on account of a dispute, are as follows -

Name of Statute	Nature of Dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where the Dispute is pending
Central Excise Act 1944	Excise Duty	36,434.03	1991 to 1993	Pending Before CESTAT Mumbai
UP Sales Tax	Sales Tax	1,109.96	1993 to 1996	High Court Allahabad

- x) The accumulated losses of the company as at March 31, 2009 is Rs. 255,819.44 thousand. it has incurred cash losses during the financial year ended on the date. However it has not incurred cash losses in the immediately preceding financial year.
- xi) As per information & explanation given to us, the company has not defaulted in repayment of dues to any bank. The Company has not availed any loans from financial institution and debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is trading in shares, securities, and other investments. The company is maintaining separate records of the transactions and contracts and making timely entries therein. These shares and other securities are held by the company in its own name.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi) As per information and explanations given to us the Company has not obtained any term loans during the year.
- xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debenture during the year and accordingly, no securities have been created.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For T.R. Chadha & Co.
Chartered Accountants
(Surender Kumar)
Partner
M. No. 82982

Place: New Delhi
Date: 29th June, 2009

BALANCE SHEET AS AT 31ST MARCH 2009

(Rs. in thousand)

Particulars	Schedule No.	As At 31.03.2009	As At 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	I	1,342,347.76	1,342,347.76
Reserves & Surplus	II	4,785,358.73	4,785,358.73
		6,127,706.49	6,127,706.49
Loan Funds			
Secured Loans			
Overdraft from Bank - Secured against Fixed Deposits		614,809.17	-
Deferred Tax Liabilities	III	-	7,104.70
Total		6,742,515.66	6,134,811.19
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	IV	273,054.15	270,060.15
Less: Depreciation		27,560.77	26,440.40
Net Block		245,493.38	243,619.75
Investments			
	V	1,242,819.40	1,653,508.17
Current Assets, Loans & Advances			
- Inventories	VI	470,541.90	470,541.90
- Sundry Debtors	VII	176,020.91	176,020.91
- Cash & Bank Balances	VIII	1,037,594.46	77,778.32
- Loans & Advances	IX	3,507,582.88	3,629,518.21
		5,191,740.15	4,353,859.34
Less: Current Liabilities & Provisions			
Current Liabilities	X	192,399.72	238,271.02
Provisions	XI	956.99	911.33
		193,356.71	239,182.35
Net Current Assets		4,998,383.44	4,114,676.99
Profit & Loss Account			
		255,819.44	123,006.28
Total		6,742,515.66	6,134,811.19
Significant Accounting Policies and Notes to the Accounts	XIX		

This is the Balance Sheet referred to in our report of even date

The schedules referred to above form an integral part of the Balance Sheet

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No 82982
For T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 29th June 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(Rs. In thousand)

Particulars	Schedule No.	For The Year Ended 31.03.2009	For The Year Ended 31.3.2008
INCOME			
Sales & other Business Income	XII	56,750.91	101,094.85
Other Income	XIII	133.26	4,605.77
		56,884.17	105,700.62
EXPENDITURE			
Employees' Cost	XIV	2,402.13	4,009.72
Finance Expenses	XV	1,392.61	-
Depreciation		1,120.37	1,181.07
Other Expenses	XVI	191,368.41	42,696.88
(Increase)/Decrease in Stock of Finished Goods	XVII	-	-
Total		196,283.52	47,887.67
Profit/(Loss) before prior Period Adjustments and Taxation		(139,399.35)	57,812.95
Prior Period Adjustments	XVIII	458.61	1,623.71
Profit/(Loss) Before Taxation		(139,857.96)	56,189.24
Current Tax		-	6,904.75
Fringe Benefits Tax		59.90	125.22
Deferred Tax Liability/Asset		(7,104.70)	7,104.70
Profit/(Loss) After Taxation		(132,813.16)	42,054.57
Profit/(Loss) Brought Forward from Previous Year		(123,006.28)	(165,060.85)
Balance Carried over to Balance Sheet		(255,819.44)	(123,006.28)
Earning Per Share (Nominal Value of Rs.10 Each)			
Basic / Diluted (Note 17 on Schedule XIX)		(0.99)	0.31
Significant Accounting Policies & Notes to the Accounts	XIX		

This is the Profit & Loss Account referred to in our report of even date

The schedules referred to above form an integral part of the Profit and Loss Account

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No 82982
For T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 29th June 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. In thousand)

	Amount	Year Ended March 31,2009 Amount	Amount	Year Ended March 31,2008 Amount
A. Cash flow from operating activities:				
Net Profit / (Loss) before tax		(139,857.96)		56,189.24
Adjustments for :				
Depreciation	1,120.37		1,181.07	
Interest	1,392.61		0.00	
Foreign Exchange Fluctuation	(120.54)		(1,989.25)	
Balance written off	165,587.67		-	
Excess Provision Written Back	0.00		(2,117.70)	
Prior Period Expenses/(Income) (Net)	458.61		1,623.71	
Provision for Wealth Tax	239.21		230.24	
Operating profit before working capital changes		28,819.97		55,117.31
Adjustments for changes in working capital :				
- (Increase)/Decrease in Sundry Debtors	0.00		88,567.46	
- (Increase)/Decrease in Other Receivables	(35,542.01)		873,794.26	
- Increase/(Decrease) in Trade and Other Payables	(45,789.53)		(25,560.19)	
- (Increase)/Decrease in Net Current Assets		(81,331.54)		936,801.53
Cash generated from operations		(52,511.57)		991,918.84
- Prior Period (Expenses)/Income (Net)	(458.61)		(1,623.71)	
- Wealth Tax Paid	(230.24)		(235.89)	
- Taxes (Payment) / Refund	(8,094.77)		(15,075.14)	
Net cash from operating activities	(61,295.19)	(61,295.19)	974,984.10	974,984.10
B. Cash flow from Investing activities:				
Purchase of fixed assets	(2,994.00)		0.00	
(Purchase)/Sale of investments (Net)	410,688.77		(955,713.78)	
Net cash used in/from investing activities		407,694.77		(955,713.78)
C. Cash flow from financing activities:				
Proceeds (Repayments) from short term borrowings	614,809.17		-	
Interest Paid	(1,392.61)		0.00	
Net cash used in financing activities		613,416.56		-
Net Increase/(Decrease) in Cash & Cash Equivalents		959,816.14		19,270.32
Cash and cash equivalents at the beginning of the year		77,778.32		58,508.00
Cash and cash equivalents at the close of the year		1,037,594.46		77,778.32

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 Cash and cash equivalents include Fixed Deposits etc. for Rs. 1021648.42 thousands (Previous Year Rs. 20817.83 thousands) pledged as security with/against Govt. Departments/loan.
- 4 Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

This is the Cash Flow referred to in our report of even date.

Notes to accounts(Schedule XIX) form an integral part of cash flow statement

Surender Kumar
Partner
Membership No 82982
For and an behalf of
T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi

Date : 29th June 2009

SCHEDULES TO ACCOUNTS

	(Rs. In thousand)	
SCHEDULE-I	As At 31.03.2009	As At 31.03.2008
SHARE CAPITAL		
AUTHORISED		
300,000,000 (Previous Year 300,000,000)		
Equity Shares of Rs. 10/- each.	3,000,000.00	3,000,000.00
10,000,000 (Previous Year 10,000,000)		
Redeemable Preference Shares of Rs. 100/ each	1,000,000.00	1,000,000.00
	<u>4,000,000.00</u>	<u>4,000,000.00</u>
ISSUED & SUBSCRIBED & PAID UP:		
134,234,776 (Previous Year 134,234,776)		
Equity Shares of Rs. 10/- each.	1,342,347.76	1,342,347.76
Fully Paid up Out of these 125,616 Equity Shares were allotted as Fully Paid up pursuant to a contract without payment being received in cash and 6,183,162 shares were allotted as Fully Paid Up Bonus Shares by Capitalisation of Share Premium		
Total	<u>1,342,347.76</u>	<u>1,342,347.76</u>
SCHEDULE-II		
RESERVES & SURPLUS		
Share Premium	4,464,882.64	4,464,882.64
Capital Reserve	1,500.00	1,500.00
Investment Allowance Reserve (a)	122500.00	122,500.00
General Reserve	196,476.09	196,476.09
Total	<u>4,785,358.73</u>	<u>4,785,358.73</u>
(a) Fully utilized for acquiring new plant & machinery		
SCHEDULE III		
DEFERRED TAX LIABILITY		
Fixed Assets		
Opening Balance	9013.69	8976.12
For the Year	127.51	37.57
Closing Balance	9,141.20	9,013.69
Deferred Tax Asset		
Disallowance U/S 43 B		
Opening Balance	591.55	367.75
For the Year	27.79	223.79
Closing Balance	619.34	591.55
Losses Carried Forward		
Opening Balance	1,317.45	5,431.74
For the Year	7,204.41	(4,114.29)
Closing Balance	8,521.86	1,317.45
Amount U/S 35 DDA		
Opening Balance	-	3,176.63
For the Year	-	(3,176.63)
Closing Balance	-	-
Total	<u>-</u>	<u>7,104.70</u>

SCHEDULES (Contd...)

(Rs. In thousand)

SCHEDULE-IV

FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block			
	As At 1.04.2008	Additions During The Year	Sale/Adj- stments During The Year	As At 31.03.2009	As At 1.04.2008	For The Year	Written Back During The Year	up to 31.03.2009	As At 31.03.2009	As At 31.03.2008
Land										
- Leasehold	7,553.47	-	-	7,553.47	1,213.74	79.73	-	1,293.47	6,260.00	6,339.73
- Freehold	194,852.00	-	-	194,852.00	-	-	-	-	194,852.00	194,852.00
Buildings										
-Freehold	60,134.22	2,994.00	-	63,128.22	17,985.94	998.35	-	18,984.29	44,143.93	42,148.30
Plant & Machinery	845.97	-	-	845.97	579.88	40.18	-	620.06	225.91	266.09
Furniture & Fixture	4,319.65	-	-	4,319.65	4,315.41	2.11	-	4,317.52	2.13	4.22
Vehicles	2,354.84	-	-	2,354.84	2,345.43	-	-	2,345.43	9.41	9.41
Total	270,060.15	2,994.00	-	273,054.15	26,440.40	1,120.37	-	27,560.77	245,493.38	243,619.75
Previous year	270,060.15	-	-	270,060.15	25,259.33	1,181.07	-	26,440.40	243,619.75	

SCHEDULE-V

As At 31.03.2009

As At 31.03.2008

INVESTMENTS (AT COST)

A. Long Term Investments

(i) Government Securities (Unquoted)

Post Office Time Deposit

(Pledged with Government Departments as security deposits)

134.10

134.10

(ii) Equity Shares

Quoted (Non Trade)

Equity Share (Fully Paid Up) 28,279,426 (Previous Year 16,673,155)

of Oswal Chemicals & Fertilizers Ltd

910,864.74

791,814.20

12,036,500 (Previous Year 12,036,500) Equity Shares of Rs 10/- each

of P C Media Systema Ltd

290,419.31

290,419.31

(iii) Unquoted (Non Trade)

One Equity Share (Previous Year One) of Urmi Group Housing Society Ltd of Rs 250 each

0.25

0.25

100,000(Previous Year 100,000) Equity Shares of Rs 10/-each of Sohanaa International Pvt Ltd

5,000.00

5,000.00

4,000(Previous Year 4,000) Equity Shares of Rs 1000/-each Superior Portfalio (p) Ltd

15,000.00

15,000.00

17440 (Previous Year 17,440) Equity Shares of AED100/-each of Oswal Overseas Limited (Wholly Owned Subsidiary)

21,401.00

21,401.00

B. Current Investments

NIL Units (Previous Year 36,347,099) of LIC MF Liquid Plan Growth Option

-

529,739.31

Total

1,242,819.40

1,653,508.17

Aggregate Book Value of:

Quoted Investments

1,201,284.05

1,082,233.51

Unquoted Investments

41,535.35

571,274.66

SCHEDULE-VI

INVENTORIES

(As Taken Valued & Certified by Management)

Plant & Machinery Held for Disposal

11,691.90

11,691.90

Stock in Trade (Equity Shares)

458,850.00

458,850.00

Total

470,541.90

470,541.90

SCHEDULES (Contd...)

	(Rs. In thousand)	
SCHEDULE-VII	As At 31.03.2009	As At 31.03.2008
SUNDRY DEBTORS (Unsecured Considered Good)		
Over Six Months	176,020.91	176,020.91
Total	176,020.91	176,020.91
SCHEDULE-VIII		
CASH AND BANK BALANCES		
Cash & Cheques in Hand (Including Postage Imprest)	1,852.38	54,272.15
Balances with Scheduled Banks :		
- Current Accounts	14,080.16	2,674.84
- Fixed Deposits *	1,021,648.42	20,817.83
Balance with Post Office in Saving Account (Pass book lodged with the Government Departments as security deposit)	13.50	13.50
Total	1,037,594.46	77,778.32
*Fixed Deposits are pledged as security with/against Govt. Departments/loan.		
SCHEDULE-IX		
LOANS & ADVANCES		
(Unsecured and Considered Good Unless Otherwise Stated)		
Advances Recoverable in Cash or in Kind or for value to be Received (Includes Loan of Rs.12,260.96 thousand (Previous Year Rs.715,606.50 thousand) to Subsidiary Company)	3,405,223.25	3,544,555.90
Security Transaction Tax	-	3,300.00
Interest Accrued but not due on Deposits	15,366.21	197.27
Balance with Central Excise etc.	23,634.07	39,025.83
Security Deposits	13,473.06	3,870.20
Advance Fringe Benefit Tax	27.48	-
Advance Income Tax (Net of Provision of Rs.7,768.36 thousand (Previous Yr 11,356.51 thousand))	49,858.81	38,569.01
Total	3,507,582.88	3,629,518.21
SCHEDULE-X		
CURRENT LIABILITIES		
Sundry Creditors	163,765.90	172,005.04
Advances From Customers (Including Advance Against Investments)	-	3,611.94
Other Liabilities	28,633.82	62,654.04
Total	192,399.72	238,271.02
SCHEDULE-XI		
PROVISIONS		
Gratuity	655.95	600.32
Leave with Wages	61.83	35.70
Wealth Tax	239.21	230.24
Fringe Benefit Tax	-	45.07
Total	956.99	911.33

SCHEDULES (Contd...)

(Rs. In thousand)

	For the Year Ended 31.03.2009	For the Year Ended 31.03.2008
SCHEDULE-XI		
Sales & Other Business Income		
Interest Received (TDS Rs. 6581.84 thousand, Previous Year Rs. 11390.35 thousand)	30,464.83	50,647.02
Profit/(Loss) on Sale of Investment (Net)	(9,305.66)	3,386.02
Profit/(Loss) on Trading of Share/ Mutual Fund	35,591.74	3,428.73
Profit/(Loss) on Derivatives (Equity Futures)	-	43,345.24
Dividend Received	-	287.84
Total	56,750.91	101,094.85
SCHEDULE-XIII		
OTHER INCOME		
Misc Income	13.26	378.82
Rent Received	120.00	120.00
Foreign Exchange Fluctuation	-	1,989.25
Sundry Balances Written Off	-	1,891.02
Excess Provision Written Back	-	226.68
Total	133.26	4,605.77
SCHEDULE-XIV		
EMPLOYEES' COST		
Salaries Wages Bonus And Other Allowances	2,259.77	3,718.03
Contribution To Provident Fund & Employees State Insurance	125.09	243.15
Welfare Expenses	17.27	48.54
Total	2,402.13	4,009.72
SCHEDULE-XV		
FINANCE EXPENSES		
Interest	1,375.53	-
Bank Charges	17.08	-
Total	1,392.61	-
SCHEDULE-XVI		
ADMINISTRATION EXPENSES		
Rent	5,977.56	1,098.63
Rates & Taxes	1,403.15	1,094.69
Brokerage	-	15,861.89
Security Transaction Tax	-	6,031.18
Printing & Stationery	1,421.50	1,362.36
Postage & Telegram	1,831.86	1,915.22
General Maintenance & Security Charges	1,286.54	1,314.14
Sales Tax	1,417.32	-
Repairs - Building	312.04	145.08
- Others	27.77	14.93
Foreign Exchange Fluctuation	120.54	-
Consultation Fees	8,555.37	8,494.95
Sundry Balances Written Off	165,587.67	-
Other Expenses	3,427.09	5,363.81
Total	191,368.41	42,696.88

SCHEDULES (Contd...)

	(Rs. In thousand)	
	For the Year Ended 31.03.2009	For the Year Ended 31.03.2008
SCHEDULE-XVII		
ADJUSTMENT DUE TO(INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	11,691.90	11,691.90
Stock in Trade (Equity Shares)	458,850.00	458,850.00
	<u>470,541.90</u>	<u>470,541.90</u>
Less: Closing Stock		
Finished Goods	11,691.90	11,691.90
Stock in Trade (Equity Shares)	458,850.00	458,850.00
	<u>470,541.90</u>	<u>470,541.90</u>
Decrease / (Increase)	-	-
SCHEDULE XVIII		
PRIOR PERIOD ADJUSTMENTS		
Other General Expenses	458.61	1,623.71
Total	<u>458.61</u>	<u>1,623.71</u>

SCHEDULE-XIX

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention

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

ii) Investments :

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

iii) Fixed Assets :

(a) Fixed assets are shown at cost less accumulated depreciation.

(b) Depreciation on fixed assets has been provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.

(c) No depreciation has been provided on fixed assets held for disposal and shown under current assets at estimated realizable value.

iv) Inventories:

Inventories are valued at cost or net realizable value whichever is lower.

v) Interest:

Interest on securities (other than fixed deposits with banks) pledged/deposited with the Government Departments is accounted for on cash basis.

vi) Recognition of Income & Expenditure

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

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

vii) Provision

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

viii) Contingent Liabilities

Contingent liabilities not provided for in the accounts are separately disclosed in the "Notes to Accounts".

ix) Employee Benefits

i. Long Term Employee Benefits

a) Defined Contribution Plans

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

SCHEDULES (Contd...)

b) Defined Benefit Plans

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

c) Other Long Term Employee Benefits

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

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

x) Foreign Exchange Transactions

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

NOTES TO ACCOUNTS

2. Contingent Liabilities

(Rs.in thousand)

	As at 31.3.2009	As as 31.3.2008
--	-----------------	-----------------

Claims against the company not acknowledged as debt.	100709.84	100709.84
--	-----------	-----------

3. The leasehold land includes cost of 150 acres (previous year 150 acres) of land valuing Rs.6441.50 thousand (previous year Rs.6441.50 thousand) acquired by the Company at Shahjahanpur (U.P). The cost of this land represents payment of premium, development charges and stamp duty for execution of lease deed paid by the Company. The case regarding additional compensation is pending in the Court. Therefore, the additional compensation, if any, shall be accounted for as and when the case is decided.

4. During 1983 the Company had received interest free advance of USD 6 million from M/s Indo Europe Food Limited, London as against export contract of USD 60 millions. The above advance received by the company is secured against Bank Guarantee for USD 6 millions and in lieu whereof the bank holds first charge over the movable, immovable, present and future assets of the Soyabean Processing Unit at Mandideep (M.P) and has counter guarantee by the Chairman of the Company. The Company has further given a FDR of Rs. 21441.27 thousand (Previous Year Rs. 20618.03 thousand) under Bank's lien as margin for Bank Guarantee. As per accounting policy of the Company, no effect has been given in the accounts to the fluctuation in the exchange rate on the above amount of advance, which were reflected on the exchange rate prevalent on the date of receipt of advance. As such the fluctuation, if any, will be accounted for as and when the matter is finalised.

In addition to the above export contract, the Company had also made exports of goods valuing Rs.30936.11 thousand to M/s Indo Europe Food Limited, London for which export bills remain outstanding. As against outstanding export bills, the Company obtained a Decree dated 9th May 1989 from the Hon'ble Delhi High Court for an amount of Rs.38386.29 thousand along with interest @ 12% p.a. from the date of Decree till the date of realization. In view of the above, Decree remains pending for execution, no provision for interest has been made in the Books of Accounts, which shall be accounted for in the year of realization. However, the Company has provisionally adjusted the over due export bills against the above referred advance received from M/s Indo Europe Food Limited.

5. Certain debit/credit balances are subject to confirmations and reconciliation. Consequential revenue impact, if any, is not ascertainable.
6. All Current Assets and loan & advances as on 31st March, 2009 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
7. In a disputed matter of Excise Duty, the Hon'ble Supreme Court has decided the case in favour of the Company and directed the excise department to refund Rs. 12816.00 thousand as per Law, which has already been deposited by the Company. The excise department has rejected the claim of the Company for refund and at present the appeal is pending before the CEGAT.
8. The figure of Other Expenses (Schedule - XVI) includes the provision made for Auditors Remuneration on the following account

(Rs. in thousand)

Particulars	Current Year	Previous Year
Audit Fee	640.00	640.00
Certification work	5.00	15.00
Out of pocket expenses (including service tax)	84.16	166.30

9. Employee Cost (Schedule XIV) and Other Expenses (Schedule XVI) includes Rs.2898.34 thousand (Previous Year Rs. 7692.31 thousand) being apportioned expenses incurred by a group company on behalf of the Group.
10. The Company has not charged any interest on loans given to certain enterprises aggregating to Rs. 701100.06 thousand outstanding as on 31st March 2009 in terms of an arbitration award, which was mutually accepted, by the borrowers and the company. The terms of repayment have been extended to 31st March, 2010 by way of an understanding between borrowers and the company.
11. Balances written off include business losses of Rs. 100,000 thousand on account of assignment of real estate contract due to adverse market conditions.

SCHEDULES (Contd...)

12. Disclosures pursuant to clause 32 of the listing agreement

a) Loans and advances in the nature of Loans given to Subsidiary:

(Rs. In thousand)

Name of the Company	Balance as at 31.03.2009	Balance as at 31.03.2008	Maximum Balance during the year
Oswal Overseas Ltd	12260.96	715606.50	715606.50

Notes:

- Loans and Advances shown above fall under the category of Loans & Advances in nature of Loans where there is no repayment schedule and are re-payable on demand.
- Loans and Advances shown above fall in the category of interest free loans.

b) Loans and advances in the nature of Loans given to company in which the directors are interested

(Rs. in thousand)

Name of the Company	Balance as at 31.03.2009	Balance as at 31.03.2008	Maximum Balance during the year
Oswal Chemicals & Fertilizers Ltd	8368.17	399215.27	471319.28

- Market value of Equity Shares of Oswal Chemicals & Fertilizers Ltd as at 31st March 2009 was Rs. 306831.77 thousand (previous year Rs. 57939.14 thousand). The equity shares of PC Media Systems Ltd were not quoted during the year and hence market value of thereof at the close of the year cannot be ascertained.
- No provision is required for investment made in the subsidiary company in spite of its written off advance and investment in its own subsidiary company (step down subsidiary of the company), since the management of the view that the company will make sufficient profit in coming years in other projects and the said subsidiary will continue as a going concern.
- Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are given as below:-

Particulars	Denomination	Foreign Currency	Amount (Rs. in thousand)
Other Liabilities	USD	5237796.80 (5237796.80)	59085.56 (59085.56)
Loan & Advance	USD	3055548.60 (3055548.60)	38386.29 (38386.29)
Loan & Advance	AED	862450 (65,886,016)	12260.96 (715506.50)
Investment	AED	1,744,000 (1,744,000)	21401.00 (21401.00)

Previous year figures are given in bracket

- The information given in Schedule X does not include any amount, which is outstanding, and payable to Micro, Small and Medium Enterprises based on the information available with the company. The details as required by Schedule VI to the Companies Act, 1956 is given below:-

I	II	III	IV	V
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	The amount of interest accrued and remaining unpaid at the end of each accounting year	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006
NIL	NIL	NIL	NIL	NIL

SCHEDULES (Contd...)

17. Earning Per Share (EPS) - Numerators and Denominators used to calculate basic and diluted earning per share

Particulars	Current Year	Previous Year
Profit/(Loss) attributable to equity shareholders (A) (Rs. in thousand)	(1,32813.16)	42054.57
Basic/Diluted Weighted Average of equity shares outstanding during the year (B)	13,42,34,776	13,42,34,776
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic/Diluted earning per share (Rs.) (A)/(B)	(0.99)	0.31

18. Related Party Disclosures

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

- Enterprises over which major shareholders, key management personnel and their relatives have significant influence
 - Oswal Chemicals & Fertilizers Ltd
 - Lucky Star Entertainment Ltd
 - Aruna Abhey Oswal Trust
 - Sohanaa International Ltd.
- Key Management Personnel and their relatives:-
Mr. Abhey Oswal, Mr. Anil Bhatta, Mr. R.K.Srivastava, Mr. B.N. Gupta, Mr. Shael Oswal
- Enterprises controlled by the Company (wholly owned subsidiary companies)
 - Oswal Overseas Ltd, Dubai, UAE
 - Oswal Brasil Refinaria De Petroleo, Brazil

Details of transactions with the related parties in the ordinary course of business:

(Rs. in thousand)

Type of Relationship	Nature of Transactions	Volume of Transactions	
		Current Year	Previous year
Enterprises over which major shareholders, key management personnel and their relatives have significant influence	Rent Received	120.00	120.00
	Share of Common Expenses	2898.34	7692.31
	Advance given by Company	700000.00	Nil
	Advance taken by the Company	Nil	596550.00
	Payment made on behalf of the company by Enterprises	234.31	67.56
	Payment made on behalf of the Enterprises by the company	11.85	Nil
	Payment received on behalf of the Enterprises by the company	77.50	25.00
	Loan Received	708691.83	318787.13
	Loan Given*	908505.67	399215.27
	Balance written off	2714.59	Nil
	Balance outstanding at year end		
	- Receivable	134980.40	310715.69
	- Payable	Nil	604189.87
Investments	910864.74	791814.20	
Enterprises controlled by the Company	Investments Outstanding	21401.00	21401.00
	Loan Outstanding	12260.96	715606.50
	Loan Received	-	713617.25
	Loan Repaid to the company	703225.00	-
	Foreign Exchange fluctuation on loan	(120.54)	1989.25
	Maximum Balance Outstanding	715606.50	715606.50

*Loan given includes considerations of Rs. 900000.00 thousand for assignments of Agreements to Sell to the enterprises.

19. Segment Reporting

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

- Investing Activities
- Real Estate

SCHEDULES (Contd...)

Particulars	Financial Year Ended	
	31.03.09	31.03.08
Segment Revenue		
Investment Activities	53998.39	103219.26
Real Estate	-	33.79
Others	2885.78	2447.57
Total Segment Revenue	56884.17	105700.62
Segment Result		
Profit (+)/ Loss (-) before tax and interest from each segment		
Investment Activities	50887.17	75719.72
Real Estate	(100751.95)	(1367.83)
Others	(88600.57)	(18162.65)
<i>Less: Interest & Finance Expenses</i>	1392.61	-
Profit before Tax	(139857.96)	56189.24
- Current Year	-	6904.75
- Fringe Benefit Tax	59.90	125.22
- Deferred Tax Written Off	(7104.70)	7104.70
Profit after Tax	(132813.16)	42054.57
Segment Assets		
Investment Activities	3541853.43	3738153.68
Real Estate	2584266.31	1723450.00
Others	553933.19	789383.60
Total Assets	6680052.93	6250987.28
Segment Liabilities		
Investment Activities	4764.67	40949.11
Real Estate	-	-
Others	803401.21	205337.94
Total Liabilities	808165.88	246287.05
Assets Acquired		
Unallocated	2994.00	Nil

20. Employee Benefits

The Company has classified various employee benefits as under:

a) Defined Contribution Plans

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

Employees Provident Fund including family pension fund Rs.121.13 thousand (Previous Year Rs. 231.84 thousand)

b) Defined Benefit Plans

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

Particulars	Gratuity (Unfunded) 31.03.09	Gratuity (Unfunded) 31.03.08
Discounting Rate	7.00%	8.00%
Future salary Increase	5.50%	5.50%
Expected Rate of return on plan assets	NA	NA
Expected Average remaining working lives of employees in number of years	5.44	6.06

ii. The amounts recognized in the balance sheet are as follows:

Particulars	Gratuity (Unfunded) 31.03.09	Gratuity (Unfunded) 31.03.08
Present value of obligation	655.95	600.32
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(655.95)	(600.32)

SCHEDULES (Contd...)

iii. Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	31.03.09	31.03.08
Present value of obligation as at the beginning of the year	600.32	585.88
Interest cost	42.02	46.87
Past service cost	-	-
Current service cost	29.64	24.41
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(16.03)	(56.84)
Present value of obligation as at the end of year	655.95	600.32

iv. The amount recognized in the Profit & Loss A/c is as follows:

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	31.03.09	31.03.08
Current service cost	29.64	24.41
Past service cost	-	-
Interest cost	42.02	46.87
Expected return on plan assets	-	-
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	(16.03)	(56.84)
Amount apportioned from a group company	(11.53)	118.13
Expenses recognized in the statement of profit & loss account	44.10	132.56

The Company expects to contribute Rs. 81.88 thousand during the next year.

21. Particulars of Share/Mutual Funds/Bonds

	Unit	Current Year		Previous Year	
		Quantity	Value (Rs.in '000)	Quantity	Value (Rs.in '000)
OPENING	Nos	36347099	529739.31	-	-
PURCHASE	Nos	36601766	5,48000.00	117995621	1686500.00
SALE	Nos	72948865	1113331.05	81648522	1160189.42
CLOSING	Nos	-	-	36347099	529739.31

22. The corresponding figures of the previous year have been regrouped/ reclassified, wherever necessary

Signatures to schedules I to XIX of accounts

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No 82982
For and on behalf of
T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 29th June 2009

OSWAL OVERSEAS LIMITED

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2009.

1. OPERATIONS

The company is a wholly owned subsidiary of Oswal Agro Mills Ltd. The company expects to take up large scale trading in international market in coal, steel and allied products.

2. DIRECTORS

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

Mr. Abhey Kumar Oswal

Mr. Anil Kumar Bhalla

3. AUDITORS' REPORT

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

4. DISCLOSURE PARTICULARS

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

5. PARTICULARS OF EMPLOYEES

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

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm:

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- ii. That the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and the preoperative expenses of the Company for the year ended on that date;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv. That the annual accounts have been prepared on a going concern basis.

7. AUDITORS

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

Place : New Delhi
Date : 16th June 2009

For and on behalf of the Board

Anil Kumar Bhalla
Director

Auditors' Report to the Shareholder of

OSWAL OVERSEAS LIMITED

We have audited the accompanying financial statements of OSWAL OVERSEAS LIMITED for the year ended 31 March 2009 set out on pages These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit included such test of the accounting records and such other auditing procedures, as we considered necessary in the circumstances. In our opinion, the financial statements fairly present the state of affairs of OSWAL OVERSEAS LIMITED as at 31 March 2009 and the results of its operation and its cash flows for the year then ended in conformity with accounting principles applied.

KSI Shah & Associates

Chartered Accountants

Dubai

17 June 2009

OSWAL OVERSEAS LIMITED

Balance Sheet as at 31st March 2009

(Rs. in thousands)

	Notes	2009	2008
Non-current assets			
Investment	3	0	17556.00
ASSETS			
Current assets			
Loans and advances	4	10099.38	715470.12
Bank balances in current accounts		627.76	318.52
		<u>10727.14</u>	<u>715788.64</u>
Total assets		<u>10727.14</u>	<u>733344.64</u>
EQUITY AND LIABILITIES			
Share capital	5	24782.79	18952.50
Preoperative expenses		(26316.61)	(1313.11)
Total shareholder's funds		<u>(1533.82)</u>	<u>17639.39</u>
Current liabilities			
Short term loan	6	12260.96	715606.50
Accruals		-	98.75
		<u>12260.96</u>	<u>715705.25</u>
Total equity and liabilities		<u>10727.14</u>	<u>733344.64</u>

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

Approved by the director on 17th June 2009.

For OSWAL OVERSEAS LTD.

ANIL KUMAR BHALLA

DIRECTOR

Income Statement for the year ended 31 March 2009

(Rs. in thousands)

	Notes	2009	2008
Sales		-	-
Administrative expenses		(24711.94)	(658.43)
Interest income	4	112.38	51.43
Foreign currency translation fund		(403.94)	58.00
Preoperative for the year		<u>(25003.50)</u>	<u>(549.00)</u>

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

For OSWAL OVERSEAS LTD.

ANIL KUMAR BHALLA

DIRECTOR

CONSOLIDATED AUDITORS' REPORT

To the Board of Directors of Oswal Agro Mills Ltd.

1. We have audited the attached Consolidated Balance Sheet of Oswal Agro Mills Ltd and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit, which have been prepared in accordance with accounting standards, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary company, namely Oswal Overseas Ltd, whose financial statements reflect total assets of Rs.37043.75 thousand as at 31st March 2009, the total revenue of Rs. NIL thousand and cash flows amounting to Rs. 309.24 thousand for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports has been furnished to us, and our opinion is based solely on such report.
4. *The accounts of Oswal Brasil Refinara De Petroleo S.A., Brazil, a step down subsidiary of the company have not been consolidated as the said company is in process of winding up. (Refer Note 18 to Significant Accounting Policies and Notes on Consolidated Accounts).*
5. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards (AS) 21 on Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules 2006.
6. In our opinion and to the best of our information and according to explanations given to us and on consideration of the separate audit report on the subsidiary company, the Consolidated Balance Sheet, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement, *subject to our comments in paragraphs 4 and 7.1 to 7.3 below* give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of Consolidated Balance Sheet of the Consolidated State of Affairs of the Group as at 31st March, 2009,
 - ii) In the case of consolidated Profit & Loss Account of the Consolidated loss of the Group for the year ended on that date, and
 - iii) In the case of Consolidated Cash Flow Statement of the Consolidated Cash Flows of the Group for the year ended on that date.
- 7.1 *Non- translation of interest free export advance received (net) of USD 52,37,796.80 at the year end exchange rate and non- accounting for the fluctuation in the exchange rate, which is contrary to Accounting Standard 11 and further non- provision of interest accrued on the amount receivable Rs. 38386.29 thousand due to the pending of Decree orders passed by the High Court on 09.05.1989, as stated in note no. 6 in schedule XIX.*
- 7.2 *Non-confirmation/non-reconciliation of certain debit/ credit balances as stated in Note No. 7 in Schedule XIX, the overall impact of these could not determined.*
- 7.3 *Non-accounting of interest income on loans given to certain enterprises as stated in Note No.12 Schedule XIX.*

For **T.R. Chadha & Co.**
Chartered Accountants

(Surender Kumar)
Partner
M.No.82982

Dated: 29th June, 2009
Place: New Delhi

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

(Rs. In thousand)

Particulars	Schedule No.	As At 31.03.2009	As At 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	i	1,342,347.76	1,342,347.76
Reserves & Surplus	ii	4,788,740.52	4,782,910.23
		<u>6,131,088.28</u>	<u>6,125,257.99</u>
Loan Funds			
<i>Secured Loans</i>			
Overdraft from Bank - Secured against Fixed Deposits		614,809.17	-
Deferred Tax Liabilities	iii	-	7,104.70
Total		<u>6,745,897.45</u>	<u>6,132,362.69</u>
APPLICATION OF FUNDS			
Fixed Assets			
IV			
Gross Block		273,054.15	270,060.15
Less: Depreciation		27,560.77	26,440.40
Net Block		<u>245,493.38</u>	<u>243,619.75</u>
Capital Work in Progress		1,794.69	1,313.11
Investments	V	1,221,418.40	1,649,663.17
Current Assets, Loans & Advances			
- Inventories	VI	470,541.90	470,541.90
- Sundry Debtors	VII	176,020.91	176,020.91
- Cash & Bank Balances	VIII	1,038,222.22	78,096.84
- Loans & Advances	IX	3,505,421.30	3,629,381.84
		<u>5,190,206.33</u>	<u>4,354,041.49</u>
Less: Current Liabilities & Provisions			
Current Liabilities	X	192,399.72	238,369.78
Provisions	XI	956.99	911.33
		<u>193,356.71</u>	<u>239,281.11</u>
Net Current Assets		4,996,849.62	4,114,760.38
Profit & Loss Account			
		280,341.36	123,006.28
Total		<u>6,745,897.45</u>	<u>6,132,362.69</u>
Significant Accounting Policies & Notes to the Consolidated Accounts	XIX		

This is the Balance Sheet referred to in our report of even date

The schedules referred to above form an integral part of the Balance Sheet

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No 82982
For T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 29th June 2009

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(Rs. In thousand)

Particulars	Schedule No.	For The Year Ended 31.03.2009	For The Year Ended 31.3.2008
INCOME			
Sales & Other Buisness Income	XII	56,750.91	101,094.85
Other Income	XIII	133.26	4,605.77
		<u>56,884.17</u>	<u>105,700.62</u>
EXPENDITURE			
Employees' Cost	XIV	2,402.13	4,009.72
Finance Expenses	XV	1,392.61	-
Depreciation		1,120.37	1,181.07
Other Expenses	XVI	215,890.33	42,696.88
(Increase)/Decrease in Stock of Finished Goods	XVII	-	-
Total		<u>220,805.44</u>	<u>47,887.67</u>
Profit/(Loss) Before Prior Period Adjustments and Taxation		(163,921.27)	57,812.95
Prior Period Adjustments	XVIII	458.61	830.89
Profit/(Loss) Before Taxation		(164,379.88)	56,982.06
Current Tax		-	6,904.75
Fringe Benefits Tax		59.90	125.22
Defered Tax Liability/Asset		(7,104.70)	7,104.70
Profit/(Loss) After Taxation		(157,335.08)	42,847.39
Profit/(Loss) Brought Forward from Previous Year		(123,006.28)	(165,853.67)
Balance Carried over to Balance Sheet		<u>(280,341.36)</u>	<u>(123,006.28)</u>
Earning Per Share (Nominal Value of Rs.10 Each)			
Basic / Diluted (Note 14 on Schedule XIX)		(1.17)	0.32
Significant Accounting Policies & Notes to the Consolidated Accounts	XIX		

This is the Profit & Loss Account referred to in our report of even date

The schedules referred to above form an integral part of the Profit and Loss Account

FOR AND ON BEHALF OF THE BOARD

Surender Kumar
Partner
Membership No 82982
For T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 29th June 2009

CONOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

(Rs. in thousand)

	Amount	Year Ended March 31,2009 Amount	Amount	Year Ended March 31,2008 Amount
A. Cash flow from operating activities:				
Net Profit / (Loss) before tax		(164,379.88)		56,982.06
Adjustments for :				
Depreciation	1,120.37		1,181.07	
Interest	1,392.61		0.00	
Foreign Exchange Fluctuation	(120.54)		(1,989.25)	
Balance written off	190,109.59		-	
Excess Provision Written Back	0.00		(2,117.70)	
Prior Period Expenses/(Income) (Net)	458.61		830.89	
Provision for Wealth Tax	239.21		230.24	
Operating profit before working capital changes		28,819.97		55,117.31
Adjustments for changes in working capital :				
- (Increase)/Decrease in Sundry Debtors	0.00		88,567.46	
- (Increase)/Decrease in Other Receivables	(58,038.71)		876,078.41	
- Increase/(Decrease) in Trade and Other Payables	(45,888.30)		(25,759.42)	
- (Increase)/Decrease in Net Current Assets		(103,927.01)		938,886.45
Cash generated from operations		(75,107.04)		994,003.76
- Prior Period (Expenses)/Income (Net)	(458.61)		(830.89)	
- Wealth Tax Paid	(230.24)		(235.89)	
- Taxes (Payment) / Refund	(8,094.77)		(15,075.14)	
Net cash from operating activities	83,890.66	(83,890.66)	977,861.84	977,861.84
B. Cash flow from Investing activities:				
Purchase of fixed assets	(3,475.58)		11,208.99	
(Purchase)/Sale of investments (Net)	428,244.77		(973,268.79)	
Net cash used in/from investing activities		424,769.19		(962,059.80)
C. Cash flow from financing activities:				
Proceeds (Repayments)from short term borrowings	614,809.17		-	
Foreign Currency Translation Fund	5,830.29		(2,385.00)	
Interest Paid	(1,392.61)		0.00	
Net cash used in financing activities		619,246.85		(2,385.00)
Net Increase/(Decrease) in Cash & Cash Equivalents		960,125.38		13,417.04
Cash and cash equivalents at the begnining of the year		78,096.84		64,679.80
Cash and cash equivalents at the close of the year		1,038,222.22		78,096.84

Notes :

- The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by The Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Cash and cash equivalents include Fixed Deposits etc. for Rs. 1021648.42 thousands (Previous Year Rs. 20817.83 thousands) pledged as security with/against Govt. Departments/loan.
- Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

This is the Cash Flow referred to in our report of even date.

Notes to accounts(Schedule XIX) form an integral part of cash flow statement

Surender Kumar
Partner
Membership No 82982
For and an behalf of
T R Chadha & Co
Chartered Accountants

R.P. Jolly
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Oswal
Chairman
DIN No. 00589130

Place : New Delhi
Date : 29th June 2009

SCHEDULES TO ACCOUNTS

	(Rs. In thousand)	
SCHEDULE-I	As At 31.03.2009	As At 31.03.2008
SHARE CAPITAL		
AUTHORISED:		
300000000 (Previous Year 300000000) Equity Shares of Rs. 10/- each	3,000,000.00	3,000,000.00
10000000 (Previous year 10000000) Redeemable Preference Shares of Rs. 100/- each	1,000,000.00	1,000,000.00
	<u>4,000,000.00</u>	<u>4,000,000.00</u>
ISSUED SUBSCRIBED & PAID UP:		
134234776 (Previous Year 134234776) Equity Shares of Rs.10/- each fully paid up	1,342,347.76	1,342,347.76
Out of these 125616 Equity Shares were allotted as Fully Paid up pursuant to a contract without payment being received in cash and 6183162 shares were allotted as Fully Paid Up Bonus Shares by Capitalisation of Share Premium		
Total	<u>1,342,347.76</u>	<u>1,342,347.76</u>
SCHEDULE-II		
RESERVES & SURPLUS		
Share Premium	4,464,882.64	4,464,882.64
Capital Reserve	1,500.00	1,500.00
Investment Allowance Reserve(a)	122500.00	122,500.00
General Reserve	196,476.09	196,476.09
Foreign Currency Translation Fund	3,381.79	(2,448.50)
Total	<u>4,788,740.52</u>	<u>4,782,910.23</u>
(a) Fully utilized for acquiring new plant & machinery		
SCHEDULE III		
DEFERRED TAX LIABILITY		
Fixed Assets		
Opening Balance	9013.69	8976.12
For the Year	127.51	37.57
Closing Balance	9,141.20	9,013.69
Defferent Tax Asset		
Disallowance U/S 43 B		
Opening Balance	591.55	367.75
For the Year	27.79	223.79
Closing Balance	619.34	591.55
Losses Carried Forward		
Opening Balance	1,317.45	5,431.74
For the Year	7,204.41	(4,114.29)
Closing Balance	8,521.86	1,317.45
Amount U/S 35 DDA		
Opening Balance		3,176.63
For the Year		(3,176.63)
Closing Balance		-
Total	<u>-</u>	<u>7,104.70</u>

SCHEDULES (Contd...)

(Rs. In thousand)

SCHEDULE-IV

FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block			
	As At 1.04.2008	Additions During The Year	Sale/Adjus- tments During The Year	As At 31.03.2009	As At 1.04.2008	For The Year	Written Back During The Year	up to 31.03.2009	As At 31.03.2009	As At 31.03.2008
Land										
- Leasehold	7,553.47	-	-	7,553.47	1,213.74	79.73	-	1,293.47	6,260.00	6,339.73
- Freehold	194,852.00	-	-	194,852.00	-	-	-	-	194,852.00	194,852.00
Buildings										
- Freehold	60,134.22	2,994.00	-	63,128.22	17,985.94	998.35	-	18,984.29	44,143.93	42,148.30
Plant & Machinery	845.97	-	-	845.97	579.88	40.18	-	620.06	225.91	266.09
Furniture & Fixture	4,319.65	-	-	4,319.65	4,315.41	2.11	-	4,317.52	2.13	4.22
Vehicles	2,354.84	-	-	2,354.84	2,345.43	-	-	2,345.43	9.41	9.41
Total	270,060.15	2,994.00	-	273,054.15	26,440.40	1,120.37	-	27,560.77	245,493.38	243,619.75
Previous year	270,060.15	-	-	270,060.15	25,259.33	1,181.07	-	26,440.40	243,619.75	

SCHEDULE-V

As At 31.03.2009

As At 31.03.2008

INVESTMENTS (AT COST)

A. Long Term investments

(i) Government Securities (Unquoted)

Post Office Time Deposit

(Pledged with Govt. Deptt. as Security Deposit)

134.10

134.10

(ii) Equity Shares

Quoted (Non Trade)

Equity Share (Fully Paid Up) 28,279,426 (Previous Year 16,673,155)
of Oswal Chemicals & Fertilizers Ltd

910,864.74

791,814.20

12,036,500 (Previous Year 12,036,500) Equity Shares of Rs 10/- each
of PC. Media Systema Ltd

290,419.31

290,419.31

(iii) Unquoted (Non Trade)

One Equity Share (Previous Year One) of Urmi Group Housing
Society Ltd of Rs.250 each

0.25

0.25

100,000 (Previous Year 100,000) Equity Shares of Rs 10/-each
of Sohanaa International Pvt Ltd

5,000.00

5,000.00

4,000 (Previous Year 4,000) Equity Shares of Rs 1000/-each
Superior Portfolio (p) Ltd

15,000.00

15,000.00

936690 (Previous Year 936690) shares of Oswal Brasil Refinara
De Petroleo S.A. Brazil of R\$ each (Step down subsidiary)

-

17,556.00

B. Current Investments

NIL Units (Previous Year 36,347,099) of LIC MF Liquid Plan Growth Option

-

529,739.31

Total

1,221,418.40

1,649,663.17

Aggregate Book Value of:

Quoted Investments

1,201,284.05

1,082,233.51

Unquoted Investments

20,134.35

567,429.66

SCHEDULE-VI

INVENTORIES

(As taken Valued and Certified by the Management)

Finished Goods

11,691.90

11,691.90

Stock in Trade (Equity Shares)

458,850.00

458,850.00

Total

470,541.90

470,541.90

SCHEDULES (Contd...)

	(Rs. In thousand)	
	As At 31.03.2009	As At 31.03.2008
SCHEDULE-VII		
Sundry Debtors (Unsecured Considered Good)		
Over Six Months	176,020.91	176,020.91
Total	176,020.91	176,020.91
SCHEDULE VIII		
CASH & BANK BALANCES		
Cash & Cheques in Hand including Postage Imprest	1,852.38	54,272.15
Balances with Schedules Banks :		
- Current Accounts	14,080.16	2,674.84
- Fixed Deposits *	1,021,648.42	20,817.83
Balances with Non-Schedules Banks :		
- Current Accounts	627.76	318.52
Balance with Post Office in Saving Account (Pass book lodged with the Government Departments as security deposit)	13.50	13.50
Total	1,038,222.22	78,096.84
*Fixed Deposits are pledged as security with/against Govt. Departments/loan.		
SCHEDULE IX		
LOANS & ADVANCES		
(Unsecured and Considered Good Unless Otherwise Stated)		
Advances Recoverable in Cash or in kind or for Value to be Received	3,403,061.67	3,544,419.53
Security Transaction Tax	-	3,300.00
Interest Accrued but not due on Deposits	15,366.21	197.27
Balance with Central Excise etc.	23,634.07	39,025.83
Security Deposits	13,473.06	3,870.20
Advance Fringe Benefit Tax	27.48	-
Advance Income Tax	49,858.81	38,569.01
(Net of Provision of Rs.7768.36 thousand (Previous year 11356.51 thousand)		
Total	3,505,421.30	3,629,381.84
SCHEDULE X		
CURRENT LIABILITIES		
Sundry Creditors	163,765.90	172,005.04
Advances from Customers	-	3,611.94
Other Liabilities	28,633.82	62,752.80
Total	192,399.72	238,369.78
SCHEDULE XI		
PROVISIONS		
Gratuity	655.95	600.32
Leave with Wages	61.83	35.70
Wealth Tax	239.21	230.24
Fringe Benefit Tax	-	45.07
Total	956.99	911.33

SCHEDULES (Contd...)

	(Rs. In thousand)	
	For the Year Ended 31.03.2009	For the Year Ended 31.03.2008
SCHEDULE-XII		
Sales & Other Business Income		
Interest Received (TDS Rs. 6581.84 thousand, Previous Year Rs. 11390.35 thousand)	30,464.83	50,647.02
Profit on Sale of Investment	(9,305.66)	3,386.02
Profit & Loss on Trading of Share/ Mutual Fund	35,591.74	3,428.73
Profit & Loss on Derivatives (Equity Futures)	-	43,345.24
Dividend Received	-	287.84
Total	56,750.91	101,094.85
SCHEDULE-XIII		
OTHER INCOME		
Miscellaneous Income	13.26	378.82
Rent Received	120.00	120.00
Foreign Exchange Fluctuation	-	1,989.25
Sundry Balances Written Off	-	1,891.02
Excess Provision Written Back	-	226.68
Total	133.26	4,605.77
SCHEDULE-XIV		
EMPLOYEES' COST		
Salaries Wages Bonus and other Allowances	2,259.77	3,718.03
Contribution to Provident Fund & Employees State Insurance	125.09	243.15
Welfare Expenses	17.27	48.54
Total	2,402.13	4,009.72
SCHEDULE-XV		
FINANCE EXPENSES		
Interest	1,375.53	-
Bank Charges	17.08	-
Total	1,392.61	-
SCHEDULE-XVI		
ADMINISTRATION EXPENSES		
Rent	5,977.56	1,098.63
Rates & Taxes	1,403.15	1,094.69
Printing & Stationery	1,421.50	1,362.36
Postage & Telegram	1,831.86	1,915.22
General Maintenance & Security Charges	1,286.54	1,314.14
Sales Tax	1,417.32	-
Brokerage	-	15,861.89
Security Transaction Tax	-	6,031.18
Repairs - Building	312.04	145.08
- Others	27.77	14.93
Foreign Exchange Fluctuation	120.54	-
Consultation Fees	8,555.37	8,494.95
Sundry Balances Written Off	190,109.59	-
Other Expenses	3,427.09	5,363.81
Total	215,890.33	42,696.88

SCHEDULES (Contd...)

	For the Year Ended 31.03.2009	(Rs. In thousand) For the Year Ended 31.03.2008
SCHEDULE-XVII		
ADJUSTMENT DUE TO (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	11,691.90	11,691.90
Stock in Trade (Equity Shares)	458,850.00	458,850.00
	<u>470,541.90</u>	<u>470,541.90</u>
Less : Closing Stock		
Finished Goods	11,691.90	11,691.90
Stock in Trade (Equity Shares)	458,850.00	458,850.00
	<u>470,541.90</u>	<u>470,541.90</u>
Decrease / (Increase)	-	-
SCHEDULE-XVIII		
PRIOR PERIOD ADJUSTMENTS		
Other General Expenses	458.61	830.89
Total	<u>458.61</u>	<u>830.89</u>

SCHEDULE-XIX

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON CONSOLIDATED ACCOUNTS

1. Group Companies

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

2. Basis of preparation of Accounts

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

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

3. Significant Accounting Policies

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

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

iii) Fixed Assets :

- (a) Fixed assets are shown at cost less accumulated depreciation.
- (b) Depreciation on fixed assets has been provided on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956.
- (c) No depreciation has been provided on fixed assets

held for disposal and shown under current assets at estimated realizable value.

iv) Inventories: Inventories are valued at cost or net realizable value whichever is lower.

v) Interest: Interest on securities (other than fixed deposits with banks) pledged/deposited with the Government Departments is accounted for on cash basis.

vi) Recognition of Income & Expenditure

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

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

viii) Contingent Liabilities : Contingent liabilities not provided for in the accounts are separately disclosed in the "Notes to Accounts".

ix) Employee Benefits

i. Long Term Employee Benefits

a) Defined Contribution Plans

The company's contribution to defined

contribution plans is charged to Profit & Loss Account as incurred.

b) Defined Benefit Plans

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

c) Other Long Term Employee Benefits

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

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

x) Translation of Non-integral Foreign Operations

Assets and Liabilities (monetary and non-monetary) are translated at the closing rates at the year end.

Income and expenses are translated at the quarterly average closing rate at the end of respective quarter.

All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till disposal of the net investments.

xi) Preoperative Expenses: All expenses related to various projects by the company are treated as pre-operative expenses till the commencement of commercial production.

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

over the movable, immovable, present and future assets of the Soyabean Processing Unit at Mandideep (M.P.) and has counter guarantee by the Chairman of the Company. The Company has further given a FDR of Rs. 21441.27 thousand (Previous Year Rs. 20618.03 thousand) under Bank's lien-as margin for Bank Guarantee. As per accounting policy of the Company, no effect has been given in the accounts to the fluctuation in the exchange rate on the above amount of advance, which were reflected on the exchange rate prevalent on the date of receipt of advance. As such the fluctuation, if any, will be accounted for as and when the matter is finalised.

In addition to the above export contract, the Company had also made exports of goods valuing Rs.30936.11 thousand to M/s Indo Europe Food Limited, London for which export bills remain outstanding. As against outstanding export bills, the Company obtained a Decree dated 9th May 1989 from the Hon'ble Delhi High Court for an amount of Rs.38386.29 thousand along with interest @ 12% p.a. from the date of Decree till the date of realization. In view of the above, Decree remains pending for execution, no provision for interest has been made in the Books of Accounts, which shall be accounted for in the year of realization. However, the Company has provisionally adjusted the over due export bills against the above referred advance received from M/s Indo Europe Food Limited.

7. Certain debit/credit balances are subject to confirmations and reconciliation. Consequential revenue impact, if any, is not ascertainable.
8. All Current Assets and loan & advances as on 31st March, 2009 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
9. In a disputed matter of Excise Duty, the Hon'ble Supreme Court has decided the case in favour of the Company and directed the excise department to refund Rs. 12816.00 thousand as per Law, which has already been deposited by the Company. The excise department has rejected the claim of the Company for refund and at present the appeal is pending before the CEGAT.
10. The figure of Other Expenses (Schedule - XVI) includes the provision made for Auditors Remuneration on the following account.

NOTES TO ACCOUNTS

4. CONTINGENT LIABILITIES

	(Rs.in thousand)	
	As at 31.3.2009	As at 31.3.2008
Claims against the Company not acknowledged as debt.	100709.84	100709.84
5. The leasehold land includes cost of 150 acres (previous year 150 acres) of land valuing Rs.6441.00 thousand (previous year 6441.00 thousand) acquired by the Company at Shahjahanpur (U.P.). The cost of this land represents payment of premium, development charges and stamp duty for execution of lease deed paid by the Company. The case regarding additional compensation is pending in the Court. Therefore, the additional compensation, if any, shall be accounted for as and when the case is decided.		
6. During 1983 the Company had received interest free advance of USD 6 million from M/s Indo Europe Food Limited, London as against export contract of USD 60 millions. The above advance received by the company is secured against Bank Guarantee for USD 6 millions and in lieu whereof the bank holds first charge		

(Rs. in thousand)

Particulars	Current Year	Previous Year
Audit Fee	640.00	640.00
Certification work	5.00	15.00
Out of pocket expenses (including service tax)	84.16	166.30
11. Employee Cost (Schedule XIV) and Other General Expenses (Schedule XVI) includes Rs. 2898.34 thousand (Previous Year Rs. 7692.31 thousand) being apportioned expenses incurred by a group company on behalf of the Group.		
12. The Company has not charged any interest on loans given to certain enterprises aggregating to Rs. 701100.06 thousand outstanding as on 31st March 2009 in terms of an arbitration award, which was mutually accepted, by the borrowers and the company. The terms of repayment have been extended to 31st March, 2010 by way of an understanding between borrowers and the company.		
13. Market value of Equity Shares of Oswal Chemicals & Fertilizers Ltd as at 31st March 2009 was Rs. 306831.77 thousand (previous		

year Rs. 579392.14 thousand). The equity shares of PC Media Systems Ltd were not quoted during the year and hence market value of thereof at the close of the year cannot be ascertained.

14. Earning Per Share (EPS) - Numerators and Denominators used to calculate basic and diluted earning per share

Particulars	Current Year	Previous Year
Profit/(Loss) attributable to equity shareholders (A) (Rs. thousand)	(157335.08)	42847.39
Basic/Diluted Weighted Average of equity shares outstanding during the year (B)	13,42,34,776	13,42,34,776
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic/Diluted earning per share (Rs.) (A)/(B)	(1.17)	0.32

15. **Related Party Disclosures**

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

1. Enterprises over which major shareholders, key management personnel and their relatives have significant influence

- Oswal Chemicals & Fertilizers Ltd
- Lucky Star Entertainment Ltd
- Aruna Abhey Oswal Trust
- Sohanaa International Ltd.

2. Key Management Personnel and their relatives:-

Mr. Abhey Oswal, Mr. Anil Bhalla, Mr. B.N. Gupta, Mr. R. K. Srivastava & Mr. Shael Oswal

Details of transactions with the related parties in the ordinary course of business:

(Rs. in thousand)

Type of Relationship	Nature of Transactions	Volume of Transactions	
		Current Year	Previous Year
Enterprises over which major shareholders, key management personnel and their relatives have significant influence	Rent Received	120.00	120.00
	Share of Common Expenses	2898.34	7692.31
	Advance given by Company	700000.00	Nil
	Advance taken by the Company	Nil	596550.00
	Payment made on behalf of the company by Enterprises	234.31	67.56
	Payment made on behalf of the Enterprises by the company	11.85	Nil
	Payment received on behalf of the Enterprises by the company	77.50	25.00
	Loan Received	7,08691.83	318787.13
	Loan Given*	908505.67	399215.27
	Balance written off	2714.59	Nil
	Balance outstanding at year end		
	-Receivable	134980.40	310715.69
	-Payable	Nil	604189.87
Investments	910864.74	791814.20	

*Loan given includes considerations of Rs. 900000.00 thousand for assignments of Agreements to Sell to the enterprises.

16. **Segment Reporting**

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

- a) Investing Activities
- b) Real Estate

(Rs. in thousand)

Particulars	Current Year	Previous Year
Segment Revenue		
Investment Activities	53998.39	103219.26
Real Estate	-	33.79
Others	2885.78	2447.57
Total Segment Revenue	56884.17	105700.62
Segment Result		
Profit (+)/ Loss (-) before tax and interest from each segment		
Investment Activities	26365.25	75719.72
Real Estate	(1,00751.95)	(1367.83)
Others	(88600.57)	(17369.83)
Less: Interest & Finance Expenses	1392.61	-
Profit before Tax	(164379.88)	56982.06
- Current Year	-	6904.75
- Fringe Benefit Tax	59.90	125.22
- Deferred Tax Written Off	(7104.70)	7104.70
Profit after Tax	(157335.08)	42847.39
Segment Assets		
Investment Activities	3508191.47	2988699.19
Real Estate	2584266.31	1723450.00
Others	566455.02	1496699.00
Total Assets	6658912.80	6208848.19
Segment Liabilities		
Investment Activities	4764.67	40949.11
Real Estate	-	-
Others	803401.21	205337.94
Total Liabilities	808165.88	246287.05
Assets Acquired		
Unallocated	3475.58	1313.11

17. **Employee Benefits**

The Company has classified various employee benefits as under:

a) **Defined Contribution Plans**

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

Employees Provident Fund including family pension fund Rs.121.13 thousand (Previous Year Rs. 231.84 thousand)

b) **Defined Benefit Plans**

- i. Valuation in respect of gratuity has been carried out by independent actuary, as at the Balance date, based on the following assumption:

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	31.03.09	31.03.08
Discounting Rate	7.00%	8.00%
Future salary Increase	5.50%	5.50%
Expected Rate of return on plan assets	NA	NA
Expected Average remaining working lives of employees in number of years	5.44	6.06

- ii. The amounts recognized in the balance sheet are as follows:

Particulars	Gratuity (Unfunded) 31.03.09	Gratuity (Unfunded) 31.03.08
Present value of obligation	655.95	600.32
Fair value of plan assets	--	--
Net assets / (liability) recognized in balance sheet as provision	(655.95)	(600.32)

- iii. Changes in the present value of obligation representing reconciliation or opening and closing balances thereof are as follows:

Particulars	Gratuity (Unfunded) 31.03.09	Gratuity (Unfunded) 31.03.08
Present value of obligation as at the beginning of the year	600.32	585.88
Interest cost	42.02	46.87
Past service cost	--	--
Current service cost	29.64	24.41
Curtailment cost/(Credit)	--	--
Settlement cost/(Credit)	--	--
Benefits paid	--	--
Actuarial (gain)/loss on obligation	(16.03)	(56.84)
Present value of obligation as at the end of year	655.95	600.32

- iv. The amount recognized in the Profit & Loss A/c is as follows:

Particulars	Gratuity (Unfunded) 31.03.09	Gratuity (Unfunded) 31.03.08
Current service cost	29.64	24.41
Past service cost	--	--
Interest cost	42.02	46.87
Expected return on plan assets	--	--
Curtailment cost/(Credit)	--	--
Settlement cost/(Credit)	--	--
Net actuarial (gain)/ loss recognized in the year	(16.03)	(56.84)
Amount apportioned from a group company	(11.53)	118.13
Expenses recognized in the statement of profit & loss account	44.10	132.57

The Company expects to contribute Rs. 81.88 thousand during the next year.

18. (a) Oswal Brasil Refinara De Petroleo S.A., Brazil, a step down subsidiary of the company is in process of winding up, hence the accounts of said company have not been consolidated.
(b) The advance of Rs. 22956.69 thousand to and investment of Rs. 1565.23 thousand in the said subsidiary have been written off and included under the lead balance written off.
19. No provision is required for investment made in the subsidiary company in spite of its written off advance and investment in its own subsidiary company (step down subsidiary of the company), since the management of the view that the company will make sufficient profit in coming years in other projects and the subsidiary will continue as a going concern.
20. Balances written off include business losses of Rs. 100000 thousand on account of assignment of real estate contract due to adverse market conditions.
21. The corresponding figures of the previous year have been regrouped/ reclassified, wherever necessary

Signatures to schedules 1 to XIX of consolidated accounts

For and on behalf of the Board

R.P. Jolly Company Secretary	Anil Bhalla Director DIN No. 00587533	Abhey Oswal Chairman & Managing Director DIN No. 00589130
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Place : New Delhi
Date : 29th June, 2009



ATTENDANCE SLIP

OSWAL AGRO MILLS LIMITED

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

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

Name of the attending Shareholder / Proxy
(in block letters)

Regd. Folio No.

No. of Shares held.....

DP ID No. / Clients ID No.

I hereby record my presence at the TWENTY NINETH ANNUAL GENERAL MEETING of the Company, being held on Wednesday, the 30th September, 2009 at 12.30 p.m. at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)

(SIGNATURE OF PROXY HOLDER)

(SIGNATURE OF SHAREHOLDER)

NOTE : Shareholder / Proxy is requested to bring the Attendance Slip with him/her when they come to the meeting. No separate attendance slip will be issued at the time of meeting.

For Office Use

PROXY FORM

OSWAL AGRO MILLS LIMITED

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

Folio No. _____

No. of Shares held _____

I/We _____ of _____

_____ being a member/members of OSWAL AGRO MILLS LIMITED

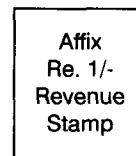
hereby appoint _____ of _____

or failing him/her _____ of _____

as my / our proxy to vote for me / us and on my / our behalf at the TWENTY NINETH ANNUAL GENERAL MEETING of the Company, being held on Wednesday the 30th September, 2009 and at any adjournment thereof.

Signed _____

Dated _____



NOTE :

1. The form should be signed across the stamp as per specimen signature registered with the Company
2. The Companies Act, 1956 lays down that the instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the time fixed for holding the meeting.
3. A Proxy need not be a Shareholder of the Company.

Book-Post

If undelivered please return to :

OSWAL AGRO MILLS LIMITED

Near Jain Colony, Vijay Inder Nagar,

Daba Road, Ludhiana - 141 003 (Punjab)