

ANNUAL REPORT 2013-14



Oswal Agro Mills Limited

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INFORMATION

Corporate Identification No (CIN) L15319PB1979PLC012267

BOARD OF DIRECTORS

Shri Abhey Kumar Oswal-Chairman
Shri Anil Bhalla-Director
Shri Bhola Nath Gupta-CEO & Director
Shri Anuj Sharma –Director

COMPANY SECRETARY

Shri R. P. Jolly

CHIEF FINANCE OFFICER

Shri Parveen Chopra

AUDITORS

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

BANKERS

The Ratnakar Bank Limited
HDFC Bank Limited

REGISTERED OFFICE

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

HEAD OFFICE

7th Floor, Antriksh Bhawan,
22, K G Marg, New Delhi-110001
Phone No. +9111-23715242, Fax: +9111-23716276

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153/A, First Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020,
Phone No. +9111-26812682, Fax: +9111-26812683
Email: admin@skylinerta.com



Oswal Agro Mills Limited

OSWAL AGRO MILLS LIMITED

Corporate Identification No (CIN) L15319PB1979PLC012267
Regd. Office: Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Pb.)
Phone No. 0161-2544313
Email: oswal@oswalagromills.com Website: www.oswalagromills.com

NOTICE OF THE MEETING

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Tuesday, the 30th day of September, 2014 at 1.00 P.M. at the Registered Office of the Company at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana -141003 (Punjab), to transact the following Business:

ORDINARY BUSINESS:

- To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:**
"RESOLVED THAT the Company's Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss as at 31st March, 2014 and the audited Cash Flow Statement for the financial year ended on that date together with Directors' and Auditors' Report thereon be and are hereby approved and adopted."
- To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:**
"RESOLVED THAT Mr. Abhey Kumar Oswal (DIN 00589130), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment."
- To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 ("Act") and the rules framed there under M/s T. R. Chadha & Co., Chartered Accountants (ICAI Firm Registration No.006711N) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next AGM of the Company, subject to ratification of appointment by members at every Annual General Meeting held after this Annual General Meeting and that the Board of Directors be and is hereby authorized to fix remuneration, as may be determined by the Audit Committee in consultation with Auditors."

SPECIAL BUSINESS:

4. APPOINTMENT OF MR ANUJ SHARMA (DIN 06890713) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, read with Schedule IV to the Companies Act, 2013 as amended from time to time, Mr. Anuj Sharma (DIN 06890713) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 27th June, 2014 and who holds office until the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing containing declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years upto 31st March, 2019, not liable to retire by rotation."

By Order of the Board
For Oswal Agro Mills Limited

Place : New Delhi
Date : 24.07.2014

R.P. Jolly
Company Secretary

NOTES:

- A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
- The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
- As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors(s)/re-appointment of the retiring Director(s), a statement containing details of the concerned director(s) is provided herewith.
- 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.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2014 to 30th September 2014 (both days inclusive).
- The Members are requested to:
 - Take the advantage of dematerialization of shares as Company's scrip has been put under the compulsory dematerialization. Shareholders are requested to get in touch with any Depository Participant for getting the shares dematerialized.
 - Bring their copy of Annual Report at the Annual General Meeting.



8. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio. A consolidated share certificate will be returned to such member after making requisite changes thereon.
9. Members intending to seek any clarification on the accounts in the meeting are requested to inform the company at least 10 days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.03.2014 and Statement of Profit & Loss for the year ended on that date together with the Independent Auditors' Report and the Directors' Report thereon, are also enclosed.
10. As per the green initiative taken by the MINISTRY OF CORPORATE AFFAIRS, the shareholders are advised to register their e-mail ids by sending written requests to our RTA "M/s Skyline Financial Services Pvt. Ltd." in respect of shares held in physical form and to the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents/ all communications including Annual Report, Notices, circulars etc. electronically.
11. The notice of the AGM along with the Annual Report for the financial year 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays up to the date of the Annual General Meeting.
13. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their Client ID Number and their DP ID Number.
14. Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.
15. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
- 16 (i) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronics means (e-voting) to all its members. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. The facility will be available at the link www.evoting.nsdl.com during the following voting period:
 Commencement of e-voting : From 9.00 A.M. on 22ND September, 2014
 End of e-voting : Upto 6.00 P.M. on 24TH September, 2014
 E-voting shall not be allowed beyond 6.00 p.m. on 24TH September, 2014. During the E-voting period, the shareholders of the company holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut- off date, may cast their vote electronically. The cut-off date of e-voting is 8TH August, 2014.
- (ii) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercised by way of electronic means gets registered and counted in an electronics registry in the centralized server with adequate 'cyber security'. It also help the shareholders to cast their vote from anywhere and at any time during E-voting period.

Process/Manner of e-voting For the Shareholders:

The detailed instructions for E-voting have been given separately in the E-voting form, enclosed herewith.

In case of any queries, you may refer the frequently asked question (FAQs) – Shareholders and e-voting user manual-Shareholders, available at the downloads section of www.evoting.nsdl.com

- (iii) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company/their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (iv). The Company has appointed Mr. Paramnoor Singh, Practicing Chartered Accountant, Membership No 515572 as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (V) The results shall be announced on or after the 34th Annual General Meeting of the Company. The results declared along-with the Scrutinizer's report shall be placed on the Company's website www.oswalagromills.com and on the website of the NSDL within two days of passing of the resolutions at the 34th Annual General Meeting of the Company on 30th September, 2014 and communicated to the BSE/NSE.

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 Abhey Kumar Oswal (DIN 00589130) is a director of the company, appointed on the Board of the Company w. e. f. 07.05.2004 and actively involved in all the affairs as well as in all business activities of the Company. He is an industrialist and having vast experience, administrative skill and valuable contribution in the growth of the Company. He is holding 53,530,960 shares in his name and his wife holds 2,495,500 shares in the Company. He is a Director on the Board of following companies during the year:



Oswal Agro Mills Limited

S. No.	NAME OF COMPANIES	STATUS
1.	Oswal Greentech Limited	Director
2.	News Nation Networks Limited (Formerly known as M/s Alpha Dealcom Pvt. Ltd.)	Director
3.	Oswal Energy Private Limited	Director
4.	OGI Energy Private Limited	Director
5.	Aruna Abhey Oswal Trust	Trustee

He is a member of Share Transfer Committee, Investor Grievance Committee and Audit Committee in your Company.

STATEMENT IN RESPECT OF SPECIAL BUSINESS

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

ITEM NO 4:

Mr. Anuj Sharma was appointed as an additional director of the company w. e. f. 27th June, 2014 and pursuant to the provisions of Section 161 of the Companies Act, 2013 and as per Article of the company, he shall hold office of the Director, as such, up to the date of ensuing Annual General Meeting. The Company has received a declaration in writing by the director (Mr. Anuj Sharma) stating that he meet the criteria of independence as provided under section 149 (6) of the Act.

The Board considers that it is in the interest of the Company to continue to have the benefit of experience and knowledge of Mr. Anuj Sharma. Accordingly, the Board recommends his appointment as an Independent Director of the Company to hold office for 5 consecutive years up to 31st March 2019, not being liable to retire by rotation.

In the opinion of the Board the director fulfill the conditions specified in the Act and the rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment is now being placed before the Members for their approval.

Except Mr. Anuj Sharma and his relatives, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item no 4. The Board recommends the resolution for your approval.

By Order of the Board
For Oswal Agro Mills Limited

R. P. Jolly
Company Secretar

Place : New Delhi
Date : 24.07.2014

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 34th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2014 and other accompanying reports, notes and certificates.

FINANCIAL HIGHLIGHTS

PARTICULARS	(₹ in Lacs)	
	Current Year 31.03.2014	Previous Year 31.03.2013
Operating & other Income	1960.43	4735.35
Profit/(Loss) before Depreciation & Provision for taxation	1627.92	(764.98)
Less : Depreciation	16.46	12.71
: Provision for Tax	333.97	—
: Deferred Tax	—	—
Profit/(Loss) after Depreciation & Tax	1277.49	(777.69)
Add: Balance brought forward from Previous year	(7630.32)	(6852.63)
Balance carried to Balance Sheet	(6352.83)	(7630.32)

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year, the company has earned net profit of ₹12.77 crores against the net loss of ₹7.78/- crores in the previous year. During the year company was mainly engaged in Real Estate and investment activities. As you aware that the real estate development project at Chembur, Mumbai could not be started back due to the adverse judgement of the Hon'ble Supreme Court however the company has filed a review petition of the judgement. The future of this project is solely dependent on the outcome of the judgement. The company is exploring other possibilities in real estate sector.

DIVIDEND

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

PUBLIC DEPOSITS

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

MATERIAL CHANGES

There are no material changes affecting the affairs of the Company since the date of Balance Sheet and upto the date of this report.

AUDITORS AND AUDITORS REPORT

M/s T. R. Chadha & Co., Chartered Accountants, (Firm Registration No. 006711N), as the Statutory Auditors of the Company holds office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013.

As per the recommendation of the Audit Committee, the Board of Directors proposes the re-appointment of T.R. Chadha & Co., Chartered Accountants as Statutory Auditor of the Company.

The Report of Auditors' on Audited Annual Accounts of the company for the Financial Year 2013-2014 forms part of the Annual Report and is self-explanatory and do not require any further comments.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Abhey Kumar Oswal, 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.

The Company has also received the requisite disclosures/declarations from Mr. Anuj Sharma as required under Section 149 and other applicable provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Anuj Sharma as Independent Director for five consecutive years.

Details of the proposal for the appointment of above director are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the Annual General Meeting. The Company has received requisite notice in writing from members proposing Mr. Abhey Kumazr Oswal as Director and Mr. Anuj Sharma as Independent Director of the Company.

Mr. Sunil Kumar Kulshrestha has resigned from the directorship of the Company w. e. f. 25th June, 2014. The matter we considered by the Board in its meeting held on 27th June, 2014. The Board has placed on record its appreciation of the contribution made by Mr. Sunil Kumar Kulshrestha during his tenure.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby states and confirms:



Oswal Agro Mills Limited

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company and there are no material departure from the applicable accounting standards;
- 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 the end of the financial year and of the profit of the Company for the year ended 31st March, 2014;
- 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; and
- 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 31.03.2014 and has not given any adverse observations. It has also recommended the re-appointment of M/s T.R. Chadha & Company, Chartered Accountants as statutory auditors of the Company

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

PARTICULARS OF EMPLOYEES

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

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

The Management is highly conscious with regard to the conservation of energy at all operational levels. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipments. The requirement of disclosure of the particulars as required u/s 217 (e) of the Companies Act, 1956 read with (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as the Company'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 AND ASSOCIATES

Subsidiary

The company has M/s. Oswal Overseas Limited in UAE as wholly owned subsidiary.

Associate

As at March 31, 2014, Oswal Agro Mills Limited had 2 associate companies as disclosed in the accounts.

The accounting of subsidiaries, associates and joint ventures have been done in consolidated financial statements in accordance with the Relevant Accounting Standards.

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 Exchange namely – National Stock Exchanges of India Ltd. (NSE), Bombay Stock Exchange Ltd. (BSE), Delhi Stock Exchange Ltd (DSE), Calcutta Stock Exchange Association Ltd (CSE), Ahmedabad Stock Exchange Ltd (ASE), The Ludhiana Stock Exchange Ltd (LSE), The U.P. Stock Exchange Association Ltd (UPSE) and Madras Stock Exchange Ltd (MSE). As on date the shares of the Company are not traded in any of these Stock Exchanges i.e. DSE, CSE, ASE, LSE, UPSE and MSE because all these stock exchanges are not in operation/or working.

Company equity shares are frequently traded with Stock Exchange Mumbai, whereas the revocation matter of trading in the shares of the company is still under consideration with National Stock Exchange of India Ltd. (NSE), Mumbai.

ACKNOWLEDGEMENT

Your directors take this opportunity to thank and deeply acknowledge the Co-operation, assistance and support extended by various Government Departments, Banks and Shareholders during the year. Your Directors also wish to place on record their deep sense of appreciation for the contributions made and committed services rendered by the executives, staff members and employees of the Company at various levels, to the growth & success of the Company.

For and on behalf of the Board
Oswal Agro Mills Limited

Place : New Delhi
Date : 24.07.2014

Anil Bhalla
Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Ethical Corporate Governance practices constitute the strong foundation on which commercial enterprises are built to last. Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed. It includes its corporate and other structures, its culture, policies and manner in which it deals with various stakeholders. As shareholders across the globe evince keen interest in the practices and performance of Companies, corporate governance has emerged at the centre stage of the way the corporate world functions. Accordingly the timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of Corporate Governance. Through its processes and independence of functioning, the Board of Directors of the Company provides effective leadership to the Company and its management for achieving sustained prosperity for all the stakeholders.

The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The entire governance structure is actively supervised by The Board of Directors, who oversee, management activities and ensures their effectiveness in delivering member value.

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

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

The Company is in compliance with the requirements stipulated under clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

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

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

The Composition of the Board, attendance of each of the Directors at the Board Meeting held during the financial year ended 31st March, 2014 and at the last Annual General Meeting is as under:-

Name of Directors	DIN No	Designation	Status	No of Meetings Held	No of Meetings attended	No of Directorship In other Companies	No of Membership In other Companies		Attendance at the Last AGM
							As Chairman	As Member	
Sh. Abhey Kumar Oswal	00589130	Chairman	NENI*	4	2	4	Nil	4	No
Sh. Anil Bhalla	00587533	Director	NENI*	4	4	5	Nil	4	No
Sh. Bhola Nath Gupta	00562338	Director	NEI**	4	4	1	Nil	3	Yes
Sh. Sunil Kumar Kulshrestha	01070854	Director	NEI**	4	3	2	Nil	2	No

NENI* = Non Executive Non Independent NEI** = Non Executive Independent

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

During the year under review four Board meetings were held on 28/05/2013, 12/08/2013, 13/11/2013 and 14/02/2014. 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 feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

COMMITTEES OF THE BOARD

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

- 1) Audit Committee;
- 2) Shareholders/Investors Grievance Committee/Share Transfer Committee



Oswal Agro Mills Limited

3. AUDIT COMMITTEE

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

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

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

(b) Composition, Names of Members and Chairman

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

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

(c) Meetings and attendance during the year

The Audit Committee met four times during the year on 28/05/2013, 12/08/2013, 13/11/2013 and 14/02/2014. The name of Members and their attendance at the Audit Committee Meeting is as under:

Members	Category	Meetings Held	Meetings Attended
Sh. Abhey Kumar Oswal	Non-Executive Non Independent	4	2
Sh. Bhola Nath Gupta	Non-Executive Independent	4	4
Sh. Sunil Kumar Kulshrestha	Non-Executive Independent	4	3

4. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

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

(b) Composition and names of members

As on 31st March, 2014, the Shareholders/Investors' Grievance Committee consists of 3 Non-Executive directors viz. Shri. Abhey Kumar Oswal, Shri Anil Bhalla and Shri Bhola Nath Gupta